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Special

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

JANUARY 14, 1997

\* SPECIAL MEETING  
9:00 A.M.

DOCUMENTS DEPT.

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LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



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Airport Commission Special Meeting  
January 14, 1997

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# AIRPORT COMMISSION MINUTES

JANUARY 14, 1997  
Special Meeting

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428 of the War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Michael S. Strunsky  
Hon. Larry Mazzola  
Hon. Linda S. Crayton

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the following meetings were adopted unanimously.

No. 97-0001 Regular meeting of November 19, 1996  
Regular meeting of December 3, 1996  
Special meeting of December 23, 1996.

\* \* \*

## D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

## E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 and 2 were adopted unanimously as amended.

1. Award Contract 5510E - Boarding Area A General Construction - Hensel Phelps Construction Co.

No. 97-0001 Resolution awarding Contract 5510E, Boarding Area A General Construction in the amount of \$66,955,000., to Hensel Phelps Construction Co.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was



approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Tom Kardos, Administrator, Bureau of Design and Construction explained that four bids were received on November 20, 1996. Swinerton and Walberg withdrew their bid due to a \$2.1-million clerical error. The Hensel Phelps bid of \$66.9-million is 5% lower than the baseline budget amount.

Two protests were received. One from Scott-Norman Mechanical, a subcontractor, objecting to the handling of pre-bid questions. The second from Clark Construction Company asserting that the Hensel Phelps bid contained material discrepancies. Both protests were evaluated by the City Attorney and found to be without merit.

The Human Rights Commission's review found the proposed MBE/WBE (15% and 6% respectively) participation and the prime's good faith effort to be acceptable.

Mr. Robert Hood, Vice President, Clark Construction, said that the award should not be made to Hensel Phelps but to Clark Construction. Their protest speaks for itself.

Mr. John Heisse, attorney for Clark Construction, explained that the protest is based on the fact that the bid submitted by Hensel Phelps, when properly evaluated, is \$87-million, not \$66-million. There is a formula in the Instructions to Bidders as to how discrepancies in the unit prices are resolved. When that formula is used, the Hensel Phelps bid is \$87-million.

Mr. Heisse explained that looking at the seventh page of this package, the first sheet of the Hensel Phelps bid, there are four bid items. Item numbers 2 and 3 are unit price items. Item No. 2 states "provides extension of existing piles, including excavation and shoring exceeding one lineal foot; 250 lineal feet at \$75,000..." The intention is that the unit price is written in words and then in numbers and the extension is written in either numbers or words.

The response to the protest was received last evening at 6:40 PM after the offices had been closed. The protest was sent two months ago. The response indicates that there is no discrepancy. It is unclear as to whether it was intended that the unit price or the overall price is to be included in words. If that were the case you would see a blank followed by dollars. The unit price would be in parentheses. This reads \$75,000.00 per lineal foot.

The Instruction to Bidders, paragraph 23, details that in ambiguities between words and numbers, the words prevail. There is a conflict on the left, being the unit price and the \$75,000.00 on the right, being the extension. According to the same paragraph, "discrepancies between a multiplication of units of work and unit prices will be resolved in favor of unit prices." The \$75,000.00 on the right must be the correct figure. Therefore, the extension of that is a figure of approximately \$18-million.

Paragraph 23 A of Instructions to Bidders says that "discrepancies between indicated sums column of figures and the correct sum will be resolved in favor of the correct sum. As between 300 in numbers and 75,000 in words, 75,000 prevails. As between 75,000 on the left and 75,000 on the right, the left prevails. As between the sum of the figures 75,000 and the sum of the figures using 18-million, the sum using 18-million prevails, according to





the Instruction to Bidders.

Had Hensel Phelps made a \$2-or \$3-million mistake, as did Swinerton and Walberg who got excused, they would be able to come back to the Commission and say using your own bid documents and your Instruction to Bidders you must interpret this as an administrative or arithmetic or typographical error.

Mr. Heisse said that it smacks of gamesmanship that they did not hear until yesterday after the close of business as to the formal rejection of their protest and whether this would be on the agenda. They were told that the reason for that was because the HRC was meeting with Hensel Phelps to determine if their good faith efforts were appropriate. Several weeks ago Clark was asked to submit its good faith package. If the Airport was considering Clark why was it meeting on the date before this meeting with Hensel Phelps. He also noted that the City Attorney has taken the position that the HRC has no jurisdiction here.

Mr. Hood noted that Hensel Phelps was the only bidder to make this error.

Mr. Kardos explained that Airport staff and the City Attorney staff determined that this was a technical and minor error in the bid, not a material error.

Commissioner Berman asked how much the difference was in the bid.

Mr. Kardos responded that it was \$18-million.

Mr. Martin added that staff received the HRC determination yesterday afternoon. We did not hold up Clark's letter up. It was sent as soon as a determination was received from HRC.

Commissioner Quan said that the wording did appear to be confusing and he could understand how a mistake could be made. He suggested that wording be made clearer.

Mr. Martin said that it is not altogether uncommon that a contractor makes this type of an error on a bid. Commission approval of this award to Hensel Phelps would be consistent with previous Commission action.

Commissioner Strunsky agreed with Commissioner Quan that the document could have been clearer. It is unclear to him whether it would be a lineal foot number or a lump sum number. In either case, \$75,000 per lineal foot is off the wall. It is easy to see their confusion based on our documents. He would like to see the documents improved in the future.

Commissioner Mazzola asked if the resolution needed to be amended.

Ms. Mara Rosales, Airport General Counsel responded that she has language prepared if the Commission wishes to incorporate it into the resolution. She read the following language into the record:

"WHEREAS, the HRC Director has reviewed the good faith efforts compliance of Hensel Phelps, the low bidder and is of the opinion that Hensel Phelps has satisfied the good faith effort of Chapter 12D of the Administrative Code; and

WHEREAS, the Airport concurs in this finding;"





The first Resolve remains the same. The second Resolve would read:

“RESOLVED, That this Commission hereby approves award of Contract 5510E, Boarding Area E General Construction, to Hensel Phelps Construction Company and authorizes the Director to execute an agreement ...”

Commissioner Berman asked if there was any communication between the Airport or the City Attorney's Office and Clark after receipt of Clark's November 26 letter prior to last night.

Ms. Rosales responded that Clark's attorney called her office yesterday to speak to the Airport attorney on this matter. That was before the late afternoon letter was sent.

Commissioner Berman expressed his concern about the language in the bid documents as well.

2. Award of Contract No. 5650A - Rental Car Facility on Lot D - Tutor-Saliba Corp.

No. 97-0003

Resolution awarding Contract 5650A to the lowest reliable, responsive and responsible bidder, Tutor-Saliba Corporation, in the amount of \$60,266,200.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos said that four bids were received on December 10, 1996. Tutor-Saliba submitted the low bid of \$60,266,200 which was 20% below the baseline budget of \$75.6-million. The MBE/WBE participation goals were 23% and 2% respectively. The program submitted by Tutor-Saliba together with the good faith effort has been reviewed and approved by the HRC.

Mr. Martin said that the same changes made to the previous resolution should be made to this resolution.

Item Nos. 3 and 4 were adopted unanimously.

3. Award Contract 5520G - International Terminal Complex Escalators and Moving Walkways Montgomery KONE, Inc.

No. 97-0004

Resolution awarding Contract 5520G, International Terminal Complex Escalators and Moving Walkways Phase 1 - Construction and Phase II Maintenance to Montgomery KONE Inc in the amount of \$18,230,840.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was



approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that this contract includes the escalators and moving walkways for Boarding Areas A and G.

The Airport originally called for bids on an overall moving conveyances package that included not only the components of this package, but all elevators as well in the International Terminal complex. The three bids received for that package in March 1996 were all rejected. Two of the bids were rejected for unacceptable qualifications of the bids; the third bid was rejected for lack of experience.

After extensive discussions with industry representatives, the facilities were structured into the two packages on the calendar today ... Contract No. 5520G, and Contract No. 5520N, International Terminal Complex elevators, the next item on the calendar.

Six bids were received on November 5, 1996 for this contract. The bids ranged from \$18,330,840 to \$38,919,271. The low bid was submitted by Montgomery KONE, Inc. and is 16% lower than the baseline budget of \$21,762,669. No protests were received.

The MBE/WBE participation goals are 1% combined. The actual program submitted by the low bidder is under review. Subject to the outcome of this review and the acceptability of the documented good faith effort award of the contract to Montgomery KONE is recommended.

Mr. Martin said that in a telephone conversation last evening with the HRC Director, she was amenable to the Commission awarding the contract contingent on the HRC determination.

Commissioner Mazzola asked what will happen if the bidder fails to meet the good faith efforts requirements.

Mr. Martin responded that staff will have to return to the Commission.

Commissioner Strunsky asked what the low bid was the first time around.

Mr. Tom Rodriguez, Project Manager, responded that his recollection was that the low bid was around \$25-million.

Commissioner Quan asked if the \$25-million was for the moving walkways only.

Mr. Rodriguez responded that it was.

Commissioner Strunsky thought that this was the way to go. Montgomery KONE is clearly qualified.

Mr. Kardos said that the primary problem in the original package was not the price, it was the unacceptable qualifications of the bid by the bidders. We had an unlimited consequential damage clause that frightened all the bidders.



Commissioner Strunsky asked Mr. Kardos to explain the four Boarding Area A and G loading bridge escalators and why are they alternates.

Mr. Martin responded that the airlines requested that we include this in the bid. They will be return escalators from the Boarding Areas so that in the event that gates were used for domestic flights, passengers would go up one flight of stairs and they would have this escalator available to return to the boarding level.

Commissioner Berman noted that \$500-million for maintenance is almost 50% of the construction bid. That is out of line with the other percentages. OTIS Elevator's \$700,000.00 maintenance is a third of the construction cost.

Mr. Kardos responded that the bid documents spell out that the award is based on the aggregate of the two components. It is dependent on the supplier and the nature of the equipment.

4. Award Contract 5520N - International Terminal Complex Elevators - United States Elevator Corp.

No. 97-0005

Resolution awarding Contract 5520N, International Terminal Complex Elevators Phase I, Construction and Phase II - Maintenance to United States Elevator Corp., in the amount of \$12,240,000.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that this item is the second conveyance package advertised concurrently with the previous one. This contract covers the elevators in the International Terminal and Boarding Areas A and G. The contract includes two phases, supply and installation and a 5-year maintenance agreement.

Three bids were received on December 5, 1996 ranging from \$12,240,000.00 to \$19,040,320.00. The low bid was submitted by United States Elevators Corp. and is 10% lower than the budget of \$13,587,331.00. No protests were received.

The MBE/WBE goals are 5% combined. The actual program submitted by the low bidder and the documented good faith effort has been reviewed and approved by the HRC.

Commissioner Strunsky noted that we have other elevators and escalators to buy in Concourse H. He asked if some sort of unit pricing has been established or is it to be a separate contract.

Mr. Kardos responded that it will be a separate contract and will be part of the Concourse H package.

Mr. Martin noted that the Human Rights Commission Director is amenable to awarding this





contract subject to a determination.

Mr. Martin noted that this contract and the previous three contracts have an aggregate total of approximately \$162-million and represent a savings of \$9-million against the approved budget on those projects.

Commissioner Strunsky asked Mr. Kardos if he knew why Otis and Montgomery did not bid on this contract.

Mr. Rodriguez responded that we do not have any feedback on this. He could only speculate that U.S. Elevator's aggressiveness discouraged other bidders.

Commissioner Crayton wondered why the maintenance piece was so small.

Mr. Kardos noted that staff feels comfortable with it.

Commissioner Mazzola assumed that the maintenance contracts fell under the prevailing wage ordinance. He said that although this is a very low bid, we have a prevailing wage officer in place to insure that the maintenance is paid under the prevailing rates.

Item No. 5 was removed from the calendar.

5. Award of Contract No. 56011 - Utility Relocations, Phase VI - Stacy & Witbeck, Inc.

Resolution awarding Contract 56011, Utility Relocations, Phase VI, to the lowest reliable, responsive responsible bidder, Stacy & Witbeck, Inc. in the amount of \$5,232,475.

Mr. Martin explained that this contract was removed because HRC provided its determination on the good faith requirements, eliminating the need for Commission action.

Item Nos. 6 through 8 were adopted unanimously.

6. Modification No. 4 to Contract No. 5500A - International Terminal Site & Piling

No. 97-0006                      Resolution approving Modification No. 4 to Contract 5500A, International Terminal Site & Piling, in the amount of \$1,485,500.00 for work related to unforeseen underground conditions.

Mr. Kardos explained that this modification is the next to the last in the series. It covers the aggregate of six contract change orders in the amount of \$1,485,500. The line item breakdown is presented in your agenda package. This modification brings the contract amount to \$28,756,012., which is slightly below the baseline budget of \$28,911,511.

The contract is scheduled to be completed in February, 1997 at a total forecast cost of \$30.9-million. The final modification will cover the approximately \$2-million plus difference between this modification and the final negotiated amount.



Commissioner Berman said that he was comfortable with the modification process.

Commissioner Strunsky asked if pile driving in Boarding Area G has begun and if we are seeing anything similar.

Mr. Kardos responded that it has begun but we have not seen anything similar at this stage.

Commissioner Crayton asked if we will be finished by February 1997.

Mr. Kardos responded that we will.

7. Bid Call - Contract No. 5600C - South International Parking Garage

No. 97-0007

Resolution approving the scope, budget and schedule for Contract 5600C, South International Parking Garage, and authorizing the Airport Director to call for bids when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that this facility will be located on the south side of the terminal entrance roads between the International Terminal and the West Underpass. The building is a 9-story reinforced concrete structure providing 1,676 parking spaces and holding area for 25 taxicabs.

An enclosed pedestrian link connects the new International Terminal arrivals level at Level 2 of the garage. Level 7 includes the south International Garage ART station.

The baseline budget is \$77.8-million for the facility. Construction is scheduled to start in May 1997 and be completed in October, 1999.

Commissioner Berman complimented the staff on the job they are doing.

Commissioner Strunsky echoed Commissioner Berman's praise. He said that we have Boarding Area H, the North Parking Garage and the South Parking Garage. We just let a large elevator/escalator/moving sidewalk contract. We have a substantial number of those units coming up to buy. He wondered if it might not make some sense to isolate them in a bid package and see whether a large single buy rather than three separate ones would be to the Airport's advantage in the sense of one maintenance contract for the three.

Mr. Kardos said that he would look at it.

8. Bid Call - Contract No. 5670A - Concourse H/ART Station





No. 97-0008

Resolution approving the scope, budget and schedule for Contract 5670A - Concourse H/ART Station, and authorizing the Director to call for bids when ready.

This activity includes elements that are within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes those elements of the activity and their potential environmental effects for purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that this facility will be located on the north side of the terminal access roadways between the new International Terminal and the west underpass. The contract provides for an eight-story high reinforced concrete structure housing the Airport BART station at the level of the ticketing lobby of the new International Terminal and the ART station right above the BART platforms. The ART and BART platforms are connected via escalators, elevators and stairways.

The budget for the facility is \$75.5-million, \$35.5-million of which is funded from Master Plan funds. The remaining \$40-million comes from the Airport's "up to \$200-million" contribution to BART's SFO extension.

Construction is scheduled to start in June, 1997 and be completed in June 2000.

\* \* \*

#### F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 9 was adopted unanimously as amended.

9. Award Contract 3512 - On-Call Pavement Repair and Overlay - Interstate/M.H., A Joint Venture

No. 97-0009

Resolution awarding Contract 3512, On-Call Pavement Repair and Overlay, to the apparent lowest responsive, responsible bidder, Interstate/M.H., A Joint Venture, in the amount of \$759,550.00.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that this is the Airport's annual emergency on-call contract.

Four bids were received on December 12. The apparent low bidder is Interstate/M.H., a joint venture. No protests were filed. Staff is requesting award pending approval of the MBE/WBE participation by HRC.

Commissioner Crayton asked if this particular contract falls into a set aside.

Mr. Wong responded that it does not.



Item No. 10 was adopted by a 4 to 1 vote with Commissioner Mazzola casting the dissenting vote.

10. Technical and Management Services Agreement with the Perth Airport Consortium

No. 97-0010

Resolution authorizing Airport staff to enter into a Technical and Management Services Agreement with the Perth Airport Consortium.

Mr. Martin explained that the Board of Supervisor Budget Committee is scheduled to approve the creation of the International Services Division and authorize the Airport to enter into an agreement with Hellman and Friedman relative to the Perth Airport privatization. The Board of Supervisors will then be scheduled to approve that next Monday. At that time we will finalize the technical and management services agreement with the Perth Airport Consortium led by Hellman and Friedman.

Commissioner Strunsky said that this is a commercial venture by the Airport to utilize its expertise in a profit making sense.

Mr. Martin responded that the MOU entered into with the Perth Airport Consortium provides that we are paid at an hourly rate and reimbursed for out of pocket expenses. We will make a profit on the proposal phase regardless of the outcome. The final cost will come in at about \$500,000.00 for the proposal phase. We have the option, if the Consortium is successful, to convert that into an ownership share which would be three times the services provided or three times \$300,000.00. We would obviously want to consider that option.

Commissioner Berman thought this was a very exciting and interesting concept.

\* \* \*

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 11 through 18 were adopted unanimously.

11. Modification No. 2 of Professional Services Contract No. 5510 - Gerson/Overstreet

No. 97-0011

Resolution approving Modification No. 2 to Gerson/Overstreet Architects design contract for the professional services fee for design revisions to Boarding Area A for additional services associated with scope changes consistent with the baseline budget approved by the Commission. \$1,500,000.

12. Award Contract 3375 - North Field Cargo Concrete Pavement - R & W, GBCI, A Joint Venture

No. 97-0012

Resolution awarding Contract 3375, North Field Cargo Concrete Pavement to the apparent lowest responsive, responsible bidder, R&W,GBCI, A Joint Venture, in the amount of \$442,800.00.



13. Modification No. 13 to Professional Legal Services Agreement with Morrison & Foerster

No. 97-0013

Resolution approving Modification No. 13 to Professional Legal Services Agreement with Morrison & Foerster to increase contract funding by the amount of \$500,000. relating to the Airline Lease/Master Plan Contract.

Commissioner Quan asked if M/WBE subcontracting requirements apply when legal contracts are modified.

Ms. Rosales responded that there are no subcontracting requirements for legal services contracts. However 12b of the Administrative Code would apply.

Commissioner Quan asked if the Commission could do anything to to apply 12d.

Ms. Rosales responded that it is included. This particular agreement with Morrison and Foerster was adopted initially before the MBE ordinance was enacted. However, some time ago the Commission moved to amend the agreement to include 12d so there are provisions in the agreement that allow us to request the firm to bring on subcontractors that are MBE law firms, and they have done so. There is an MBE law firm in the environmental unit that is in a subcontractor relationship. We asked them to delegate work to that firm.

Commissioner Quan suggested that whenever we modify a contract we should also mention to them that they should get a minority law firm involved. We are applying this standard to contractors, architects and engineers but we somehow forget the legal field.

Ms. Rosales responded that as a matter of Commission policy and her own policy we ask all of our law firms to include not only minority law firms as part of the work they perform for the Commission, but we look to minority attorneys within the firm to work on the account. This particular firm has been asked and has agreed to do it. It's a continuing effort with them.

Commissioner Quan suggested that we request legal firms to note the subs that they will work with on contract modifications.

Commissioner Berman thought that Commissioner Quan's suggestions were well taken. He had expressed his concerns earlier about a \$500,000.00 open ended contract and was assured that they are negotiated. He understands that this is an hourly billing and that it is monitored very vigorously.

Ms. Rosales responded that the law firm is very good, but she does monitor the bills.

14. Commendation for Richard Salladin

No. 97-0014

15. Retirement Resolution - Harry De Millo

No. 97-0015





16. Retirement Resolution - Kenneth Troup

No. 97-0016

17. Modification No. 1 to Contract with Cerand & Co., Inc. for Extension of Completion Time and Increase in Cost not to Exceed \$24,000.00

No. 97-0017

Resolution approving Modification No. 1 to Cerand's contract for extension of completion time to March 31, 1997 at a cost not to exceed \$24,000.00.

18. Lease of Off-Airport Parcel from State of California, Department of Transportation

No. 97-0018

Resolution approving City's three-year lease of land located under I-380 between the State of California, Department of Transportation (Caltrans), as Landlord, and City and County of San Francisco, as tenant.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. There were no comments from the public.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled ABB Daimler Benz Transportation, North America Inc. v CCSF & Airport Commission (SF Superior Court No. 983-510).



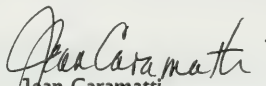
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

By unanimous vote the Commission determined that it was not in the public interest to disclose the nature of the discussion.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:58 AM to go into closed session.

  
Jean Caramatti  
Commission Secretary







Administrator  
November 26, 1996  
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November 26, 1996

Bureau of Design and Construction  
San Francisco International Airport  
P.O. Box 8097  
San Francisco, CA 94128

Attention: Administrator

Re: Airport Contract 5510.E Boarding Area "A." General Construction

Ladies and Gentlemen:

This letter is submitted on behalf of The Clark Construction Group, Inc. ("Clark") pursuant to Article 22 of the "Instruction to Bidders" for purposes of advising the Airport Commission of certain material discrepancies in the bid submitted by Hensel-Phelps Construction Co. ("Hensel-Phelps") including unit prices and MBE and WBE compliance, and to protest any consideration of the Hensel-Phelps proposal prior to resolving these discrepancies.

As described in greater detail below, as properly adjusted pursuant to the bidding rules, Hensel-Phelps' bid total is for \$87,115,000, not \$66,955,000 as written on page 3 of the bid form. This means that with the withdrawal of Swinerton & Walberg from the bidding process, Clark is the low bidder at \$67,600,000. Accordingly, we anticipate your confirmation of Clark as the low bidder for the project.

As the Commission is aware, Article 23 of the "Instructions to Bidders" limits the ability of the Commission to disregard certain defects as "informalities", since the Commission's ability to waive informalities is limited to those "not involving price, time or changes in the Work." Article 23 of the "Instructions to Bidders" goes on to state that discrepancies between words and numbers are resolved as follows:





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"Discrepancies between the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum. Discrepancies between words and figures, or words and numerals, will be resolved in favor of words."

With regard to the Hensel-Phelps bid, there is a material discrepancy between the words and numerals for the unit prices listed in items 2 and 3 of the "Schedule of Bids." More specifically, with regard to item 2, the words that Hensel-Phelps has written for the unit price for this aspect of the job is "Seventy Five Thousand" Dollars. At the same time, Hensel-Phelps has written in "\$300.00" for that same piece of work. A similar discrepancy is found in Bid Item 3 of the Hensel-Phelps bid, in which Hensel-Phelps writes "Fifteen Thousand" Dollars as the unit price and the numbers \$150.00 as the numeral description for that work. (A copy of the pertinent portion of Hensel-Phelps' bid is attached as Exhibit A.)

The pertinent portion of the Hensel-Phelps bid is as follows:

<u>Bid Items</u>	<u>Total Amount (Numerals)</u>
2. Provide extensions of existing piles, including excavations and shoring, exceeding one lineal foot; 250 lineal feet at:  <u>Seventy Five Thousand Dollars</u>  ( <u>\$300.00</u> )/LF	     <u>\$75,000</u>
3. Provide cut-off of existing removal and disposal of cut-off exceeding four feet; 100 cut-offs at:  <u>Fifteen Thousand Dollars</u>  ( <u>\$150.00</u> ) Each	     <u>\$15,000</u>





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Because the discrepancies between words and numerals are to be resolved in favor of words, the total amount of Bid Item 2 of the Hensel-Phelps bid is \$18,750,000, not "75,000" as written in the "Total" column for that work. In similar fashion, the "Total" column for item 3 is actually \$1,500,000, not \$15,000, as written. When these discrepancies are resolved in the manner prescribed by the rules governing the bidding for this project, the total bid by Hensel-Phelps is \$87,115,000, rather than \$66,955,000, as written on page 3 of the Hensel-Phelps bid form.

The Hensel-Phelps bid is the only bid that has such significant discrepancies. By contrast, no similar discrepancies are found in the bid submitted by Clark (Exhibit B). For purposes of comparison, Clark bid on items 2 and 3 in the "Schedule of Bid Prices" as follows set forth below:

<u>Bid Items</u>	<u>Total Amount</u> <u>(Numerals)</u>
2. Provide extensions of existing piles, including excavations and shoring, exceeding one lineal foot; 250 lineal feet at:  <u>One Hundred Dollars</u>  ( <u>\$100.00</u> )/LF	     <u>\$25,000.00</u>
3. Provide cut-off of existing removal and disposal of cut-off exceeding four feet; 100 cut-offs at:  <u>Two Hundred Fifty Dollars</u>  ( <u>\$250.00</u> ) Each	     <u>\$25,000</u>

When each of the above-referenced unit rates are applied to the quantities shown in the bid items, the total amount is consistent with that shown in the "Total Amount" column in the "Schedule of Bid Prices," regardless of whether the units are multiplied by the price as written in words or in numbers. The same is true for each of the other bidders. For reference, we have also attached as Exhibits C and D pages 2 and 3 of the bids submitted by Swinerton & Walberg and by Tutor-Salida Corporation, Perini Corporation, and Buckley & Company, Inc., a joint venture, respectively.







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Although we anticipate that the Commission will apply the objective standards set forth in the "Instruction to Bidders" for resolving discrepancies of the kind found in the Hensel-Phelps bid, we nonetheless wanted to remind the Commission that it is well established in California that a public entity must follow its own rules and procedures with respect to the evaluation of bids. See *Pozar v. Department of Transportation*, 145 Cal.App.3d, 269 (1983) (Exhibit E). In the *Pozar* decision, the California Court of Appeals, in a case that dealt with similar discrepancies in a bid, held that a public entity, in that instance CALTRANS, was bound to follow its own published or otherwise established rules in resolving bid discrepancies. In that particular case, the estimated quantity for the disputed items was 90 tons. *Pozar* proposed \$20 per ton and a total price of \$18,000 for that item. One of the figures was obviously wrong. If the correct unit price was \$20 per ton, the total price would have been \$1,800; if the \$18,000 total price was correct, the price per ton would have been \$200.

In the *Pozar* case, the "Instructions to Bidders" stated that in the event of such discrepancy, the unit price would control. Pursuant to the instructions, the total price should have been read as \$1,800, which would have made *Pozar* the low bidder. CALTRANS chose to ignore this "irregularity" and used the \$18,000 total price and awarded the contract to another bidder. The Court of Appeals set CALTRANS' award aside, and found that the agency had abused its discretion and was obligated under its own rules to utilize the unit price in evaluating bids.

As firmly established in *Pozar*, a public entity must follow its own published or otherwise well-established bidding rules. It was clear that CALTRANS had violated those rules in failing to abide by the objective standards set out in the "Invitation to Bidders." In the present dispute with Hensel-Phelps, the Instructions to Bidders are equally clear. In the event of a discrepancy between words and numerals, the words prevail. This means that Hensel-Phelps' bid \$87,115,000 million, not \$66,955,000.

It is also firmly established in California that bid discrepancies or irregularities may not be waived or ignored by the awarding entity where the effect of such a waiver would give the low bidder an unfair advantage over other bidders. See *Valley Crest Landscape v. City Council*, 41 Cal.App. 4th 1432 (1996). The rules set forth in the "Instruction to Bidders" must be strictly adhered to here to avoid giving Hensel-Phelps the very type of unfair advantage that it





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would gain here if the rules were not enforced. For example, waiver of the applicable rule here would allow Hensel-Phelps an unfair advantage insofar as it can: (1) assert a mistake in bid on the basis of the discrepancy in items 2 and 3 of the Bid Items and refuse to enter into a contract; or (2) it could have asserted that it actually bid \$87 million and should be awarded the contract at that higher price (assuming it was still low at that price). The law is clear that this type of unfair advantage will not be tolerated.

In addition to the Unit Prices/Total Bid problems stated above, Hensel-Phelps also failed to meet the MBE goals, the WBE goals and the combined goal, and their percentages will be even lower when their total bid is adjusted for the above stated discrepancies. The bid of Clark exceeded the MBE goal and the combined goal. Further, while no bidder met the WBE goals, Clark had by far the highest percentage of WBE participation.

We trust that the Commission will properly abide by its rules and will confirm that The Clark Construction Group is, in fact, the low responsive bidder.

We remain available to respond to any questions the Commission may have with regard to its evaluation of bids. If you have any questions, please do not hesitate to call me. We look forward to working with you in the future.

Very truly yours,

THE CLARK CONSTRUCTION GROUP, INC.

By 

F. Robert Hood, Senior Vice President

kj/180349v2  
Enclosures





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cc: Ray Quesada / Project Manager  
D. Theoring / Hensel-Phelps Corp.  
R. Sexton / Tutor-Saliba Corp.  
Perini Corp., and  
Buckley & Co., Inc.  
Fred Kriebel / Swinerton & Walberg/Walsh





HENSEL PHELPS  
EXHIBIT "A"

WARDING AREA A  
GENERAL CONSTRUCTION

- d. Bidder has obtained and carefully studied (or assumed responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, and studies (in addition to or to supplement those referred to in Paragraph c. above) which pertain to as built conditions, subsurface conditions and any other physical conditions at the Site or otherwise which may affect the cost, progress, performance, or furnishing of Work as Bidder considers necessary for the performance or furnishing of Work at the Contract Price, within the Contract Time, and in accordance with the other terms and conditions of Contract Documents; and no additional examinations, investigations, explorations, tests, reports or similar information or data are or will be required by Bidder for such purposes.
  - e. Bidder has correlated the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents and actual conditions including as built conditions.
  - f. Bidder has given the Commission written notice of all conflicts, errors, or discrepancies that it has discovered in the Contract Documents or actual conditions and the written resolution thereof by the Commission is acceptable to Bidder.
4. Based on the foregoing, Bidder proposes and agrees to fully perform the Work within the time stated and in strict accordance with the Contract Documents for the following sum of money listed in the following Bid Schedule:

SCHEDULE OF BID PRICES

All bid items, including lump sums, unit prices, and additive and deductive alternates must be filled in completely. Quote in words and numerals.

Total Amount  
(Numerals)

BID ITEMS

1. Base Bid, lump sum:  
SIXTY FOUR MILLION SIX EIGHTY SIX THOUSAND  
Dollars \$ 64,686,000
2. Provide extensions of existing piles, including excavation and shoring, exceeding one lineal foot: 250 lineal feet at:  
SEVENTY FIVE THOUSAND  
Dollars \$ 75,000.  
( \$ 300.00 ) YLF
3. Provide cut-off of existing piles, including removal and disposal of cut-off exceeding four feet; 100 cut-offs at:  
FIFTEEN THOUSAND Dollars \$ 15,000  
( \$ 150.00 ) Each
4. Allowance for Relocation of Hidden Utilities, Lump Sum:  
Two Hundred Fifty Thousand Dollars \$ 250,000.00



5. Allowance for Emergency Clean-Up of Unidentified Debris, Lump Sum:

Two Hundred Fifty Thousand Dollars

\$ 250,000.00

6. Allowance for Additional Unidentified Work for Unanticipated Conditions, Lump Sum:

Seven Hundred Fifty Thousand Dollars

\$ 750,000.00

7. Allowance for Owner selected Testing and Inspection Agency, Lump Sum:

Seven Hundred Fifty Thousand Dollars

\$ 750,000.00

8. Allowance for Temporary Offices for Owner's Representatives, Lump Sum:

One Hundred Thousand Dollars

\$ 100,000.00

TOTAL ALL BID ITEMS 1 THROUGH 8: \$ 6687600

ADDITIVE ALTERNATES

Total Amount  
(Numerals)

- A1. Provide Terrazzo in lieu of carpet in Atrium as indicated in the Contract Documents:  
Lump Sum, Add:

SEVENTY NINE THOUSAND Dollars

\$ 79,000.

SIXTY SIX MILLION EIGHT HUNDRED SEVENTY SIX THOUSAND

Total of Bid Items 1 through 8 \_\_\_\_\_ Dollars

\$ 66876000

Add Total of Additive Alternate A1

\$ 79,000.

TOTAL BID

\$ 66955000

5. Subcontractors and their sub-bids for work included in all bid items and additive or deductive alternates are listed on the attached Document 00430 Subcontractors List.
6. The undersigned understands that Commission reserves the right to reject this Bid, but that this Bid shall remain open and shall not be withdrawn for a period of ninety (90) calendar days from the date prescribed for its opening.



- d. Bidder has obtained and carefully studied (or assumed responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, and studies (in addition to or to supplement those referred to in Paragraph c. above) which pertain to as built conditions, subsurface conditions and any other physical conditions at the Site or otherwise which may affect the cost, progress, performance, or furnishing of Work as Bidder considers necessary for the performance or furnishing of Work at the Contract Price, within the Contract Time, and in accordance with the other terms and conditions of Contract Documents; and no additional examinations, investigations, explorations, tests, reports or similar information or data are or will be required by Bidder for such purposes.
  - e. Bidder has correlated the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents and actual conditions including as built conditions.
  - f. Bidder has accepted the Commission written notice of any errors or discrepancies that it has discovered in the Contract Documents or plans, specifications and drawings, and the Commission's decision thereon by the Commission is accepted.
4. Based on the information Bidder proposes and agrees to carry out the Work within the time stated and in strict accordance with the Contract Documents for the following items of Work listed in the following Bid Schedule:

SCHEDULE OF BID ITEMS

All bid items, including quantities, units, and prices, and conditions must be filled in completely. Quote in words and numbers.

BID ITEMS	Total Amount (Numerals)
1. Base Bid, lump sum Dollars	\$ 65,350,000.00
2. Provide extensions of existing piles, including excavation and shoring, exceeding one linear foot; 250 linear feet at: <u>ONE HUNDRED</u> Dollars (\$ 100.00 ) LF	\$ 25,000.00
3. Provide cut-off of existing piles, including removal and disposal of cut-off exceeding four feet; 100 cut-offs at: <u>TWO HUNDRED FIFTY</u> Dollars (\$ 250.00 ) Each	\$ 25,000.00
4. Allowance for Relocation of Hidden Utilities, Lump Sum: <u>Two Hundred Fifty Thousand Dollars</u>	\$ 250,000.00





5. Allowance for Emergency Clean-Up of Unidentified Debris, Lump Sum:

Two Hundred Fifty Thousand Dollars

\$ 250,000.00

6. Allowance for Additional Unidentified Work for Unanticipated Conditions, Lump Sum:

Seven Hundred Fifty Thousand Dollars

\$ 750,000.00

7. Allowance for Owner selected Testing and Inspection Agency, Lump Sum:

Seven Hundred Fifty Thousand Dollars

\$ 750,000.00

8. Allowance for Temporary Office for Owner's Representatives, Lump Sum:

One Hundred Thousand Dollars

\$ 100,000.00

TOTAL ALL BID ITEMS 1 THROUGH 8: \$ 67,500,000.00

ADDITIVE ALTERNATES

Total Amount  
(Numerals)

- A1. Provide Temporary Office for Owner's Representatives as indicated in the Contract Documents.

Lump Sum, Dollars

ONE HUNDRED THOUSAND  
Dollars

\$ 100,000.00

Total of Bid Items 1 through 8

Dollars

\$ 67,500,000.00

Add Total of Additive Alternates A1

\$ 100,000.00

TOTAL BID

\$ 67,600,000.00

5. Subcontractors and their sub-bids for work included in all bid items and additive or deductive alternates are listed on the attached Document 00430 Subcontractors List.

6. The undersigned understands that Commission reserves the right to reject this Bid, but that this Bid shall remain open and shall not be withdrawn for a period of ninety (90) calendar days from the date prescribed for its opening.



- d. Bidder has obtained and carefully studied (or assumed responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, and studies (in addition to or to supplement those referred to in Paragraph c. above) which pertain to as built conditions, subsurface conditions and any other physical conditions at the Site or otherwise which may affect the cost, progress, performance, or furnishing of Work as Bidder considers necessary for the performance or furnishing of Work at the Contract Price, within the Contract Time, and in accordance with the other terms and conditions of Contract Documents; and no additional examinations, investigations, explorations, tests, reports or similar information or data are or will be required by Bidder for such purposes.
  - e. Bidder has correlated the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents and actual conditions including as built conditions.
  - f. Bidder has given the Commission written notice of all conflicts, errors, or discrepancies that it has discovered in the Contract Documents or actual conditions and the written resolution thereof by the Commission is acceptable to Bidder.
4. Based on the foregoing, Bidder proposes and agrees to fully perform the Work within the time stated and in strict accordance with the Contract Documents for the following sum of money listed in the following Bid Schedule:

SCHEDULE OF BID PRICES

All bid items, including lump sums, unit prices, and additive and deductive alternates must be filled in completely. Quote in words and numerals.

<u>BID ITEMS</u>	Total Amount (Numerals)
1. Base Bid, lump sum: 2x10m _____ Dollars	\$ 60,008,000
2. Provide extensions of existing piles, including excavation and shoring, exceeding one lineal foot; 250 lineal feet or: <u>THREE HUNDRED</u> _____ Dollars ( \$ 300.00 ) YLF	\$ 75,000 -
3. Provide cut-off of existing piles, including removal and disposal of cut-off exceeding four feet; 100 cut-offs or: <u>TWO HUNDRED</u> _____ Dollars ( \$ 200.00 ) Each	\$ 20,000 -
4. Allowance for Relocation of Hidden Utilities, Lump Sum: <u>Two Hundred Fifty Thousand Dollars</u>	\$ 250,000.00



5. Allowance for Emergency Clean-Up of Unidentified Debris, Lump Sum:

\$ 250,000.00

Two Hundred Fifty Thousand Dollars

6. Allowance for Additional Unidentified Work for Unanticipated Conditions, Lump Sum:

\$ 750,000.00

Seven Hundred Fifty Thousand Dollars

7. Allowance for Owner selected Testing and Inspection Agency, Lump Sum:

\$ 750,000.00

Seven Hundred Fifty Thousand Dollars

8. Allowance for Temporary Offices for Owner's Representatives, Lump Sum:

\$ 100,000.00

One Hundred Thousand Dollars

TOTAL ALL BID ITEMS 1 THROUGH 8: \$ 1,121,283.00

Total Amount  
(Numerals)

ADDITIVE ALTERNATES

- A1. Provide Terrazzo in lieu of carpet in Atrium as indicated in the Contract Documents:  
Lump Sum, Add:

\$ 82,000.00

Eighty-two Thousand Dollars

Eighty-two Thousand Dollars  
Total of Bid Items 1 through 8 \_\_\_\_\_ Dollars

\$ \_\_\_\_\_

Add Total of Additive Alternate A1

\$ 82,000.00  
622,883.00

TOTAL BID

\$ 1,121,283.00  
621,365.00

5. Subcontractors and their sub-bids for work included in all bid items and additive or deductive alternates are listed on the attached Document 00430 Subcontractors List.
6. The undersigned understands that Commission reserves the right to reject this Bid, but that this Bid shall remain open and shall not be withdrawn for a period of ninety (90) calendar days from the date prescribed for its opening.





- d. Bidder has obtained and carefully studied (or assumed responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, and studies (in addition to or to supplement those referred to in Paragraph c. above) which pertain to as built conditions, subsurface conditions and any other physical conditions at the Site or otherwise which may affect the cost, progress, performance, or furnishing of Work as Bidder considers necessary for the performance or furnishing of Work at the Contract Price, within the Contract Time, and in accordance with the other terms and conditions of Contract Documents; and no additional examinations, investigations, explorations, tests, reports or similar information or data are or will be required by Bidder for such purposes.
  - e. Bidder has correlated the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents and actual conditions including as built conditions.
  - f. Bidder has given the Commission written notice of all conflicts, errors, or discrepancies that it has discovered in the Contract Documents or actual conditions and the written resolution thereof by the Commission is acceptable to Bidder.
4. Based on the foregoing, Bidder proposes and agrees to fully perform the Work within the time stated and in strict accordance with the Contract Documents for the following sum of money listed in the following Bid Schedule:

SCHEDULE OF BID PRICES

All bid items, including lump sums, unit prices, and additive and deductive alternates must be filled in completely. Quote in words and numerals.

<u>BID ITEMS</u>	<u>Total Amount</u> <u>(Numerals)</u>
1. Base Bid, lump sum: <u>Sixty Six Million</u> Dollars	\$ <u>66,000,000</u>
2. Provide extensions of existing piles, including excavation and shoring, exceeding one lineal foot; 250 lineal feet at: <u>THREE HUNDRED</u> Dollars ( <u>\$ 300.<sup>00</sup></u> ) MLF	\$ <u>75,000</u>
3. Provide cut-off of existing piles, including removal and disposal of cut-off exceeding four feet; 100 cut-offs at: <u>TWO HUNDRED FIFTY</u> Dollars ( <u>\$ 250.<sup>00</sup></u> ) Each	\$ <u>25,000</u>
4. Allowance for Relocation of Hidden Utilities, Lump Sum: <u>Two Hundred Fifty Thousand Dollars</u>	\$ <u>250,000.00</u>



Allowance for Emergency Clean-Up of Unidentified Debris, Lump Sum:

Two Hundred Fifty Thousand Dollars

\$ 250,000.00

6. Allowance for Additional Unidentified Work for Unanticipated Conditions, Lump Sum:

Seven Hundred Fifty Thousand Dollars

\$ 750,000.00

7. Allowance for Owner selected Testing and Inspection Agency, Lump Sum:

Seven Hundred Fifty Thousand Dollars

\$ 750,000.00

8. Allowance for Temporary Offices for Owner's Representatives, Lump Sum:

One Hundred Thousand Dollars

\$ 100,000.00

TOTAL ALL BID ITEMS 1 THROUGH 8: \$ 68,100,000

ADDITIVE ALTERNATES

Total Amount  
(Numerals)

A1. Provide Terrazzo in lieu of carpet in Atrium as indicated in the Contract Documents:  
Lump Sum, Add:

One Hundred Thousand Dollars

100,000  
\$ 100,000 Ref

Total of Bid Items 1 through 8: Sixty Eight Million Two Hundred Thousand Dollars

\$ 68,200,000

Add Total of Additive Alternate A1

\$ 100,000

TOTAL BID

Ref  
\$ 68,300,000

5. Subcontractors and their sub-bids for work included in all bid items and additive or deductive alternates are listed on the attached Document 00430 Subcontractors List.

6. The undersigned understands that Commission reserves the right to reject this Bid, but that this Bid shall remain open and shall not be withdrawn for a period of ninety (90) calendar days from the date prescribed for its opening.



[Civ. No. 22957. Third Dist. June 30, 1983.]

FRANK W. POZAR, Petitioner, v.  
DEPARTMENT OF TRANSPORTATION, Respondent.

### SUMMARY

Where a bid on a highway construction project contained a discrepancy between the unit price for material and the total price, and use of the unit price would make the bid the low bid but use of the total price would not, the Court of Appeal on petition by the bidder issued a peremptory writ of mandate directing the Department of Transportation (Caltrans) to compute the bid using the unit price in accordance with its established practice and rules applicable in the case of such discrepancies. The court held that while it had no power to direct the award of a public contract to any individual, it could direct an agency to follow its own rules when it has a ministerial duty to do so or when it has abused its discretion, adding that Caltrans' own rules obligated it to accept the per unit price in the absence of specified circumstances, none of which were present. (Opinion by Puglia, P. J., with Evans and Blease, JJ., concurring.)

### HEADNOTES

Classified to California Digest of Official Reports, 3d Series

- (1) **Public Works and Contracts § 3—Contracts—Bidding Requirements—Discrepancies—Compelling Public Agency to Follow Established Procedures.**—Where a bid on a proposal for a highway project contained a discrepancy between the unit price for materials and the total price, and where use of the unit price would make the bid the low bid but use of the total price would not, the bidder was entitled to a writ of mandate compelling the Department of Transportation to follow its established practice in case of such discrepancies and to calculate the bid using the unit price. While a court has no power to direct the award of a public contract to any individual, it can direct an



agency to follow its own rules when the agency has a ministerial duty to do so or when it has abused its discretion.

[See Cal.Jur.3d, Public Works and Contracts, §§ 19, 23; Am.Jur.2d, Public Works and Contracts, § 88.]

- (2) **Mandamus and Prohibition § 69—Mandamus—Peremptory Writ—Without Issuing Alternative Writ.**—Where a petition for a writ of mandate (Code Civ. Proc., § 1085) has been served and an opposition thereto has been filed, the Court of Appeal is empowered to issue a peremptory writ of mandate without first issuing an alternative writ.

#### COUNSEL

Dillin & Bader and Hiram S. Dillin for Petitioner.

Robert F. Carlson, Orrin F. Finch and Ralph E. Livingston for Respondent.

#### OPINION

**PUGLIA, P. J.**—Petitioner seeks a writ of mandate from this court (Code Civ. Proc., § 1085) to compel respondent (Caltrans) to follow its published procedure for resolving discrepancies in bid figures. We shall issue the writ.

The facts are not in dispute. On March 23, 1983, petitioner submitted a proposal on contract No. 09-071004, a highway construction project in Mono County. The proposal included a list of required products and services and an estimated quantity for each item. Petitioner supplied a price per unit and a total price for each item. One of the 37 required items was "Binder (Dust Palliative)." The estimated quantity was 90 tons. Petitioner proposed a unit price of \$20 per ton and a total price of \$18,000 for binder. One of the figures is obviously incorrect. If the correct unit price is \$20, the total price would be \$1,800. If the \$18,000 total is correct, the correct unit price would be \$200 per ton.

The discrepancy between the unit and total price is critical in this instance. If petitioner's bid is calculated at \$1,800 for binder, he is the lowest bidder on the contract. His total bid (the sum of 37 item totals) of \$1,689,780 is \$2,423 less than the next lowest of the eight responsible bidders. If the \$18,000 total figure for binder is used, petitioner's bid is \$1,705,980, and he is not the lowest bidder.





The form Caltrans supplies for bids or proposals contains the following language as to discrepancies between per-unit and unit price totals: "In case of discrepancy between the item price and the total set forth for a unit basis item, the item price shall prevail, provided, however, if the amount set forth as an item price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the 'Total' column, then the amount set forth in the 'Total' column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the item price."

Following its established practice and the provision quoted above, Caltrans calculated petitioner's total bid using the per-unit price (\$20) times the estimated quantity (90 tons). Thus calculated, petitioner's total bid was the lowest received. The bid was then referred to the Caltrans legal office for an opinion. The legal office concluded the entire bid was uncertain because of the discrepancy and that application of the item price priority rule would be arbitrary. Noting that the Caltrans engineer had estimated binder cost at \$300 per ton, the legal office concluded petitioner could not have intended to bid \$20 per ton and the total bid should include \$18,000 for binder and be \$1,705,980. Caltrans accepted the opinion and decided to award the contract to another bidder.

Petitioner's application to the superior court for relief was denied, and the instant petition was filed in this court. We issued a stay of the contract award pending consideration of the merits of the petition.

Petitioner's assertions of urgency, uncontradicted by Caltrans, establish that he has no adequate remedy at law (see Code Civ. Proc., § 1086; 5 Witkin, Cal. Procedure (2d ed. 1971) Extraordinary Writs, §§ 91, 92, pp. 3867-3868). The contract award is pending and the work is presumably to be performed this summer.

(1) This court has no power to direct the award of a public contract to any individual. (*Judson Pacific-Murphy Corp. v. Durkee* (1956) 144 Cal.App.2d 377, 381 [301 P.2d 97].) We can, however, direct an agency to follow its own rules when it has a ministerial duty to do so or when it has abused its discretion. (*Glendale City Employees' Assn., Inc. v. City of Glendale* (1975) 15 Cal.3d 328, 344-345 [124 Cal.Rptr. 513, 540 P.2d 609].) Here, as in the *Glendale* case, we are concerned with a ministerial duty. Caltrans' own rules obligate it to accept the per-unit price in the absence of specified circumstances, none of which are here present. The per-unit price of \$20 is neither ambiguous, unintelligible, uncertain, nor otherwise within any exception to the rule.



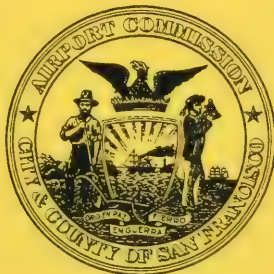
(2) The instant petition has been served upon respondent and it has filed opposition to the petition. Under these circumstances, this court is empowered to issue a peremptory writ of mandate without first issuing an alternative writ. (Code Civ. Proc., § 1088; *Central & West Basin Water etc. Dist. v. Wong* (1976) 55 Cal.App.3d 191, 196 [127 Cal.Rptr. 448]; *Goodenough v. Superior Court* (1971) 18 Cal.App.3d 692, 697 [96 Cal.Rptr. 165].)

Let a peremptory writ of mandate issue directing respondent Caltrans to compute petitioner's bid in contract No. 09-071004 using the \$20 per ton figure for item 13. The stay heretofore issued will be dissolved upon compliance with or finality of this decision, whichever is earlier.

Evans, J., and Blease, J., concurred.



**SAN FRANCISCO  
AIRPORT COMMISSION**



DOCUMENTS DEPT.

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**MINUTES**

**FEBRUARY 4, 1997**

**9:00 A.M.**

**✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO**

**WILLIE L. BROWN, JR., MAYOR**

**COMMISSIONERS**

**HENRY E. BERMAN**  
President

**ROLAND A. QUAN**  
Vice President

**MICHAEL S. STRUNSKY**

**LARRY MAZZOLA**

**LINDA S. CRAYTON**

**JOHN L. MARTIN**  
Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128**





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Airport Commission Special Meeting  
February 4, 1997

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## AIRPORT COMMISSION MINUTES

February 4, 1997

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02 AM in Room 428 of the War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Linda S. Crayton

Absent: Hon. Michael S. Strunsky  
Hon. Larry Mazzola

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 14, 1997 were adopted unanimously.

No. 97-0019

\* \* \*

### D. DIRECTOR'S REPORTS:

#### 1. Master Plan Quarterly Update

Report on the status of the Master Plan Project as of December 15, 1996 in accordance with the Baseline Budget and Schedule.

Mr. Tom Kardos, Administrator, Bureau of Design and Construction explained that this report covers the last two months of 1996, with a reporting date of December 15, 1996. There has been no change to the baseline budget and the completion milestone dates of the baseline schedule.

Contract activity picked up considerably during this reporting period. Seven major contracts were advertised for bid. Bids were opened on six contracts. The aggregate value of the low bids amounted to \$163-million, \$5-million below budget. Two construction contracts were awarded.

As of December 1996 we had 59 active projects, including both construction and professional services.

Our current program budget is \$2.517-billion. \$2.393-billion is composed of Master Plan contracts and \$0.124-billion in construction contracts, representing 35% of the construction budget. \$178-million has been awarded in design, 88% of the total. Our contingency usage is \$13.8-million, or 9.9% of the total compared to 9.5% in approved construction invoices. Construction management and Airport Administration costs amount to 16% and 12% of their respective budgets.

Areas of concern include the cost overrun experienced in the International Terminal foundation,



Contract 5500B. Although the overruns in this individual contract can be accommodated within the overall International Terminal project, we are implementing certain changes to mitigate the cost.

We still have some procedural problems of cost reporting between Airport departments. Although the cost impact is limited, we are implementing a reporting system that will eliminate the problem.

Our cash flow reflects the delays we are experiencing in the International Terminal construction schedule. The schedule slippage in the foundation contract is about 42 days. We are implementing recovery plans to meet the steel and building milestone dates. Construction is on schedule in both boarding areas.

The ART operating system contract went to litigation after the Commission made its award on December 23, 1996. Progress on roads, garages, and support facilities is according to schedule. Utility work, after some initial delays, is progressing as scheduled. MBE/WBE participation is 15.4% / 7.5% respectively in construction and 45% / 9% in professional services. We are in the process of establishing an MBE/WBE reporting system as part of the administrative CM's reporting data base. It will provide up-to-date information on a monthly basis versus the current quarterly reports.

Since the establishment of the baseline budget and schedule, the aggregate of the actual construction bids has resulted in a savings of approximately \$60-million. These savings, together with our continuing value engineering efforts, provide assurance in meeting the established goals.

Commissioner Berman thought this was well prepared. He was pleased with the figures and the status.

Commissioner Quan agreed with Commissioner Berman's comments. He asked if staff could develop a consistent format for these reports.

Mr. Kardos responded that this is the format that will be followed for all subsequent reports.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 4 were adopted unanimously.

2. Contract No. 5500E - International Terminal - Additive Alternate E-11 - Fifth Floor at North and South Shoulder Buildings and E-12 - Terrazzo and Medallions at the Arrivals Lobby

No. 97-0020

Resolution approving Additive Alternates E-11, Fifth Floor in the amount of \$7,100,000.00, and E-12, Terrazzo and Medallions at the Arrivals Lobby in the amount of \$270,000.00 for Contract 5500E, International Terminal. Total amount of alternates is \$7,370,000.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately





describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that on August 20, 1996, the Commission approved the award of Contract No. 5500E, International Terminal Building, to the joint venture of Tutor-Saliba Corporation, Perini Corporation and Buckley & Company in the amount of \$248,950,000. The bid included a number of additive alternates beyond the awarded scope. Upon review of the 15 alternates, staff, in concurrence with the airlines, recommends award of Alternates E-11 and E-12.

Alternate E-11 will add a fifth floor in both the north and south shoulder buildings comprising approximately 75,200 sq. ft. at a very attractive price.

Alternate E-12 is part of our Art Enrichment Program. The design is a 75 ft. x 220 ft. terrazzo mosaic map representing the major airports and air routes of the world. This alternate has been approved by the Art Commission.

Funding for Alternate E-11 will come from the Master Plan Management Reserve, while E-12 will be funded from the Art Enrichment budget.

MBE/WBE participation will be the same as the main contract, 15.7% combined program.

Commissioner Berman understood that when the original bid included the fifth floor and it was our option as to whether we did the fifth floor at this time. The amount that we will pay now is the same as it would have been then.

Mr. Kardos agreed.

3. Modification to Contract No. 5601A - Pacific Bell, A Pacific Telesis Company. \$3,880,000.00

No. 97-0021	Resolution approving modification to Contract No. 5601A with Pacific Bell to add Phase II construction work in the amount of \$3,880,000.00.
-------------	--

Mr. Kardos explained that as part of our Master Plan utility relocation program, several of Pacific Bell's cable runs have to be relocated. For this work the Commission approved a contract with Pacific Bell on February 6, 1996 in the amount of \$2.5-million. We are now entering the second phase of the cable relocation program triggered by the upcoming ART Guideway construction.

This Phase II work is addressed by this modification and includes the identification, removal, relocation and installation of Pacific Bell owned facilities on Airport property. In particular, the work covers the installation of a new copper cable bridge between two branches of the telephone network. The proposed resolution provides for the required flexibility the Airport needs to develop a comprehensive state-of-the-art network that best serves the Airport's business and operational interests. The work is not subject to competitive bid, as Pacific Bell is the owner of the service. The \$3,880,000.00 budget is in conformance with the baseline budget.

Commissioner Berman asked if this was in conformance with the baseline budget.

Mr. Martin responded that it is. He said that staff will return to the Commission later in the year with a plan for a fiber optic system under the Airport's control. This preserves our flexibility.

4. Bid Call - Contract No. 5950A - Improvements to Central Plant



No. 97-0022

Mr. Kardos explained that this project includes the purchase and installation of a new 6000-ton chiller and a 50,000 MBH hot water generator with the associated piping and accessories. This equipment doubles the existing installed capacity and is necessary to accommodate the additional heating and cooling loads generated by the International Terminal and Boarding Areas A and G.

Permit application was submitted to the Bay Area Air Quality Management District on December 2, 1996.

The construction budget is \$8,255,800.00 as provided for in the baseline budget. Bid advertisement is planned for May 1997 with construction starting in July 1997. The construction period is 15 months.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 5 was adopted unanimously.

5. Authorization for a Six-Month Trial for a Cellular Phone Rental Service

No. 97-0023

Resolution authorizing a six-month trial providing a cellular phone rental service by Auto Symphony.

Mr. Spencer Ballard, Deputy Director, Business and Finance explained that the Airport was recently approached by Hedy Kavel of Auto Symphony, a San Francisco business, with a proposal to rent cellular telephones. Staff would like to test the market with a six-month trial basis. Staff is proposing that Auto Symphony be allowed to operate a cellular rental service in the International Terminal in order to gauge public reaction. There will be an option for a second location in the North Terminal

Commissioner Berman asked how much space this will require.

Mr. Ballard responded that the space was small and was formally used by one of the limousine dispatchers.

Commissioner Berman asked if this will be put out to bid if it is successful.

Mr. Ballard responded that it will. Staff will then request authorization to go out to bid.

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 6 through 10 were adopted unanimously.

6. Award of Professional Services Contract No. 5521 - Preliminary Engineering Services for Boarding Area G Aircraft Apron - ICF Kaiser Engineers

No. 97-0024

Resolution awarding Professional Services Contract 5521 to ICF Kaiser Engineers in the amount of \$119,000.00 to provide preliminary engineering services for Boarding Area G Aircraft Apron.



7. Expansion of Duty-Free Selling Space for DFS Group L.P.

No. 97-0025

8. Exercise of One-year Option - AMPCO System Parking Agreement

No. 97-0026

Resolution exercising the first one-year option of AMPCO's Operating Agreement for Public Automobile Parking Facilities.

9. Modification No. 003 to Contract No. DOT-FA76WE-3702A - U.S. Government Lease for Real Property (FAA)

No. 97-0027

Resolution approving Modification No. 003 to Contract No. DOT-FA76WE-3702A, U.S. Government Lease for Real Property (FAA) for the relocation of the first floor Air Traffic Control Tower General Storage Room in order to allow Airport use of the storeroom for office space.

10. Northwest Airlines, Inc. - Sublease to DHL Worldwide Express, Inc.

No. 97-0028

Resolution consenting to the continuation of Northwest Airlines, Inc's sublease of aircraft parking and maintenance rights to DHL Worldwide Express, Inc.

\* \* \*

The public hearing was called to order at 9:20 AM and adjourned at 9:26 AM, there being no comments from the public.

I. PUBLIC HEARING:

11. Hearing on Proposed Fiscal Year 1997/98 Budget - \$311-million

Mr. Ballard explained that the proposed budget for the next fiscal year is \$311-million. That is an increase of about \$32.6 million or 11.7% of the current budget. The increase, exclusive of Master Plan related problems, is only about \$5-million or less than a 2% increase, which we feel compares favorably with the rate of inflation.

A series of updated financial exhibits to the airline MOU was put forward when the Master Plan schedule and budget was reestimated. We included the figure of \$310.4-million for the budet for the upcoming fiscal year in that updated exhibit. The MOU specifically excludes BART debt service from the figure that was presented in those exhibits.

Mr. Ballard provided the Commission with an "Expenditures/Revenue" and a "Cost to Continue/New Initiatives" chart.

The proposed budget is \$303-million, exclusive of BART, or favorable in relation to the MOU of \$8.7-million. When we include BART there is about \$7.5-million in debt service for the coming year. The MOU figure doesn't change, but the proposed budget comes up to \$311-million or \$500,000.00 above the MOU which did not include BART. Staff has done an aggressive job in bringing down the operating expense forecast and accommodating BART with very little increase in





the overall operating cost for the airlines.

On the revenue side, the airline payments had been expected to be about \$93-million in the MOU and have increased to \$93.8-million or an \$800,00.00 increase. This is partially due to the additional cost of the BART debt service.

The Mayor has asked all departments to develop a "Cost to Continue" budget which maintains what we are doing now. This baseline is the current year budget and the increase in debt service which is considered part of the "Cost to Continue" budget, taking it to \$302-million.

"New Initiatives" has been broken into three categories. The first is related to the Master Plan program and includes such things as Operations and Maintenance costs that are gearing up as a result of projects coming on line from the Master Plan. The second are increases in our overall program as we continue to grow to meet the needs of the Airport. The third category is as a result of the continued growth in our concessions program. As a result the annual service payment to the City will increase by \$1.5-million and will be in excess of \$20-million.

At the next meeting the Commission will be presented with two resolutions, the first will deal with the "Cost to Continue" budget and the second will deal with the "New Initiatives" budget.

Commissioner Quan asked if the Police merger will be revenue neutral.

Mr. Ballard responded that at this time it is anticipated to be neutral.

Commissioner Quan asked if our Fire Department is managed by the Department downtown.

Mr. Martin responded that the Airport Fire Department is part of the City Fire Department and they report to the City Fire Chief. Presently, the Airport Police have no reporting relationship to the SFPD. That will change with the merger. He expected that there may be some increases in expenditures to cover such things as the purchase of new uniforms. We do not expect any new positions related to the merger.

The San Mateo Sheriff is requesting funding for his staff to provide services at the Airport. Historically, we have not paid for those services directly, but have viewed those services as being paid through property tax contributions by the Airport and its tenants. We are continuing to review this request with the Sheriff and will report back to the Commission. The San Mateo Sheriff is linking the merger to his request for funding.

Mr. Ballard said that the budget has been presented to the airlines at their bi-monthly meeting and there were no questions.

\* \* \*

#### J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

#### K. CORRESPONDENCE:



There was no discussion by the Commission.

\* \* \*

L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled ABB Daimler-Benz Transportation (North America, Inc.) vs City and County of San Francisco and Airport Commission (984-234); and, Government Code Section 54956.9(b)(1) regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

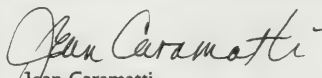
The Commission voted unanimously to go into closed session

The Commission, by a unanimous vote, determined that it was not in the public interest to disclose the nature of the discussion.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:29 AM to go into closed session.

  
Jean Caramatti  
Commission Secretary



# San Francisco International Airport MOU Update vs. Proposed Budget

	Airport-Airline MOU Update 9/96	Proposed FY 97/98 Budget	\$ Change
<b>EXPENDITURES</b>			
Excluding BART	\$310,450,495	\$303,492,697	(\$8,711,292)
Including BART	\$310,450,495	\$310,980,030	\$529,535
<b>REVENUES</b>			
Airline Payments	\$93,001,495	\$93,805,030	\$803,535
All Other Payments	\$217,449,000	\$217,175,000	(\$274,000)
<b>TOTAL REVENUES</b>	<b>\$310,450,495</b>	<b>\$310,980,030</b>	<b>\$529,535</b>



# San Francisco International Airport

## Summary of Proposed Airport Budget

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### "Cost to Continue" Budget

FY 1996/97 Baseline	\$278,439,706
New Debt Service Needs	\$24,028,315
Subtotal	<u>\$302,468,021</u>

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### "New Initiatives" Budget

Master Plan Program	\$3,551,000
Operating Program	\$3,461,009
Annual Service Payment	\$1,500,000
Subtotal	<u>\$8,512,009</u>

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### TOTAL PROPOSED BUDGET

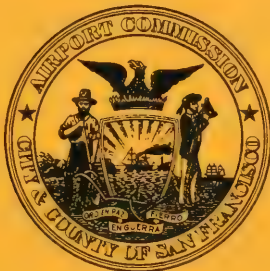
\$310,980,030





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# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

FEBRUARY 14, 1997  
SPECIAL MEETING  
8:00 A.M.

✈ ROOM 410, WAR MEMORIAL BUILDING  
(BOARD OF SUPERVISORS COMMITTEE MEETING ROOM)  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO  
WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



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	5.	Award Contract 5601J - Utility Relocations, Phase VII - Rosendin Electric, Inc.	97-0032	5-6
	6.	Modification No. 7 - Co-Bond Counsel Services with Orrick, Herrington & Sutcliffe and Pamela S. Jue	97-0033	6
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10.	Reject All Bids - Contract 3586 - Surface Movement Guidance & Control System, Phase 1	97-0038	7-8
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J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

11.	Reject All Bids - Contract 3606J - Abatement and Demolition of Lot C - Budget and Dollar Interim Rental Car Facilities and Plot 8S - Building 636, Chevron Hangar	97-0039	8
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15.	Renew Contract for Ground Transportation Hotline	97-0043	9
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# AIRPORT COMMISSION SPECIAL MEETING MINUTES

February 14, 1997

## A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 8:02 AM in Room 410, Board of Supervisors Committee Room, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton

Commissioner Mazzola arrived at 8:12 AM.

\* \* \*

## C. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled ABB Daimler-Benz Transportation (North America, Inc.) vs City and County of San Francisco and Airport Commission and Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission voted unanimously to go into closed session. There were no comments from the public. The meeting recessed at 8:06 AM and reconvened at 9:15 AM.

The Commission voted unanimously not to disclose the nature of the closed session.

\* \* \*

## D. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 4, 1997 were adopted unanimously.

No. 97-0029

\* \* \*

## E. DIRECTOR'S REPORTS:

### 1. Report on Master Plan Mitigation Program

Report summarizing the status of the 1996 Mitigation Program for the San Francisco International Airport Master Plan.

Mr. John Martin, Airport Director explained that while we are exceeding the Master Plan projections on international passengers, we are under the Master Plan projections on domestic passengers as well as total passengers. The growth in international passengers is in excess of international projections and shows that we



are spending our money properly on an international facility.

Aircraft operations are 25% under the Master Plan projections. We have had a 1% decline in the number of aircraft operations. That reflects the growth in the international market where the 747 aircraft is used and averages from 400-500 passengers per flight, versus domestic flights with an average passenger count of 110 passengers per flight.

Mr. John Costas, Administrator, Bureau of Planning and Environmental Affairs said that progress on the mitigation program has been consistent with the implementation of the Master Plan. All construction mitigation measures for Master Plan projects in 1996 were accomplished as required and all necessary environmental approvals for Master Plan projects were obtained in a timely manner to maintain the integrity of the Master Plan schedule.

The report summarizes and highlights certain measures that were accomplished in 1996 and provides a matrix of 100 different measures in terms of the status of those mitigation efforts.

One of the highlights in 1996 was the obtaining of resource agency approvals for our Master Plan projects as they relate to wetland mitigations.

## 2. Report on Perth Airport Bid - Oral Report

Mr. Costas explained that nothing has changed since his last report. The bid went in on January 30. We expect to hear from the Australian government by the end of this month.

\* \* \*

## F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

## G. POLICY:

Commissioner Berman left the meeting at 9:20 AM, at the call of Item No. 3, and returned at 9:24 AM, after the call of Item No. 4.

Item No. 3 was adopted unanimously.

## 3. Noise Insulation Program Bonus Incentives

No. 97-0030

Resolution authorizing execution of a Memoranda of Understanding for payment of noise insulation program bonus incentives to communities participating in existing airport noise insulation programs.

Mr. Spencer Ballard, Deputy Director, Business and Finance explained that in 1992 the Commission approved an MOU with the cities surrounding the Airport regarding the noise insulation program. The MOU provided some key features. One is that the funding provided through the MOU is to reduce its \$120-million commitment by the full amount of the FAA grants received by the cities for noise insulation. The cities are obligated to apply for the FAA grants under the MOU.

The FAA has recently taken the position that contiguous housing units outside of the noise zone may not be as favorably viewed as in the past.

This program will provide added incentive for the cities to more aggressively pursue contiguous housing with the FAA. To the extent that the cities are successful in getting FAA funding, the Airport's overall commitment of \$120-million will be reduced. The potential savings through this program will run about \$4.5-million.



## H. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 4 through 6 were adopted unanimously. Item No. 7 was adopted unanimously as amended.

### 4. Award Contract 5900D - Elevated and Surface Circulation Roadways - Meyers/Kulchin-Condon, A Joint Venture

97-0031

Resolution awarding Contract 5900D, Elevated and Surface Circulation Roadways, to the lowest reliable, responsive and responsible bidder, Meyers/Kulchin-Condon, A Joint Venture, in the amount of \$38,040,317.30. Work includes construction of the elevated and surface circulation roadways between the existing terminals and the new Inbound/Outbound Ramps connecting to U.S. Highway 101. Included in this contract are portions of work from Contracts 5905A - Inbound/Outbound Ramps, 56011 - Utility Relocation, 5700B - ART Westside Guideway Remote Loop and 5500E - General International Terminal Building Construction.

This contract activity is within the scope of the San Francisco International Airport Master Plan Program which was approved by the Airport Commission on November 3, 1992.

Mr. Kardos said that four bids were received on December 20, with Kassler Corporation submitting the low bid. Three protests were received. Dillingham Construction alleged that Kasler's bid was non-responsive to the MBE/WBE goals set at 20%/9% respectively. It also maintained that the bidding documents were ambiguous in defining the basis of award and that the Meyers/Kulchin-Condon bid was unbalanced.

Meyers/Kulchin-Condon and one of their subcontractors, Miller-Thompson Constructors, alleged that Kassler's bid did not comply with the MBE/WBE goals.

Evaluation of the protests led to the disqualification of Kasler's bid and to the rejection of Dillingham's allegation of an unbalanced bid submitted by Meyers/Kulchin-Condon. Both Airport and HRC staff recommended award of the contract to Meyers/Kulchin-Condon.

Due to the critical nature of the implementation schedule, the contract contains an incentive clause for early completion.

The lowest responsible and responsive bid, including the \$500,000.00 maximum incentive, amounts to \$38,540,317.00 which is well within the \$47.5-million baseline budget.

### 5. Award of Contract No. 56011 - Utility Relocations, Phase VII - Rosendin Electric Inc

No. 97-0032

Resolution awarding Contract No. 56011, Utility Relocations, Phase VII, to the lowest reliable, responsive and responsible bidder, Rosendin Electric Inc., in the amount of \$7,672,300.00.

Mr. Kardos said that the Commission authorized a bid call on November 5, 1996. Two bids were received on December 23, 1996. The apparent low bidder, Scott Electric, was in violation of the submittal requirements specified in the bid documents and was deemed non-responsive.

The bid submitted by Scott Electric/Cresci Electric was in violation of the submittal requirements specified in the bid documents and, was deemed non-responsive as well.

The bid submitted by Rosendin Electric is responsive and responsible and is within the baseline budget.

Commissioner Crayton asked if the contingency budget took the bid above the engineer's estimate.





Mr. Kardos responded that the bid is still within the baseline budget.

Commissioner Strunsky asked why we aren't going out to bid on this again.

Mr. Kardos responded that it is a time critical contract and the bid is within the baseline budget. The utility relocations are critical to the implementation of the guidway.

6. Modification No. 7 to Co-Bond Counsel Services with Orrick, Herrington & Sutcliffe and Law Offices of Pamela S. Jue

No. 97-0033

Resolution approving Modification No. 7 to Co-Bond Counsel Contract for Airport bond issues 15, 16, and related debt programs in the amount \$600,000.00.

Mr. Ballard explained that our Co-Bond Counsel contract expires this summer. Additional funding is required to carry us through the next several bond issues.

Commissioner Berman asked how the original contract was awarded.

Mr. Ballard responded that the original contract was awarded through a competitive process. It has been the practice to return to the Commission on a periodic basis.

Item No. 7 was adopted unanimously as amended.

7. Approve Selection Panel's Nomination of Materials Testing and Special Inspection Consultants

No. 97-0034

Resolution approving Selection Panel's nomination of Materials Testing and Special Inspection Consultants for Airport Master Plan projects, and authorizing the staff to prepare contracts for the Commission's consideration.

Mr. Kardos said that in May 1996 the Airport issued a request for qualifications to Bay Area firms specializing in materials and testing and special inspection. An exhaustive outreach effort was made to maximize the involvement of certified MBE/WBE firms.

A total of 52 firms applied in 49 different team configurations. A selection committee scored the qualifications of the teams concurrent with the HRC's review determining the teams' eligibility for preference points and the individual team members' certification status.

The selection process concluded in the nomination of 14 teams for the first group of materials testing and special inspections. A list of the selected teams is included in the information before the Commission.

The overall MBE/WBE participation is 29% at the prime level and 17% at the subconsultant level. The latter compares favorably to the 12% goal set for the contracts. More than 64% of the work will be performed by local, San Francisco based firms.

Based on the results of the selection process he requested the Commission's approval of the nomination of the firms, with the exception of Consolidated Engineering Laboratories, which he proposes to investigate in more detail.

Commissioner Strunsky noted that there are several awards being made for different projects but assumed we are withholding for the present time any award to Consolidated.

Mr. Kardos told Commissioner Strunsky that he was correct.

Mr. Gary Cappa, President of Consolidated Engineering Laboratories, explained that during the interim phase of the work an error was made by one of their personnel. As a result the selection committee decided to





rethink the award of one contract.

His company was originally nominated for three projects. He committed to doing the very best on whatever projects are awarded to Consolidated.

\* \* \*

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 8 through 10 were adopted unanimously.

8. Approval of the Proposed Fiscal Year 1997/98 Budget

No. 97-0035	Resolution approving the proposed FY 1997/98 budget in the
No. 97-0036	\$311 Million.

Mr. Martin said that a public hearing was held at the last meeting on the \$311-million FY 1997/98 budget. This budget is under the Master Plan MOU projections that were used in developing the MOU with the airlines. We are on track.

Commissioner Strunsky thought that staff did an impressive job.

Mr. Martin agreed that Business and Finance did a great job.

9. Award Professional Services Contract - Implementation of Supporting Business and Information Systems - Hood and Strong

No. 97-0037	Resolution approving contract with Accounting firm of Hood and Strong for \$228,400. to provide project management and management consulting services in the implementation of the new supporting business and information systems.
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Mr. Ballard said that in 1994 the Airport purchased a proprietary software system for its Management System. This system will automate the property management, airline statistics, tenant billing and accounts receivable functions.

As the process of installing this type of system is very complex and time consuming, staff determined the need for expert outside assistance. Those needs were discussed with Hood and Strong, the Airport's auditors. Hood and Strong has demonstrated significant expertise in the areas of business process management and re-engineering as well as information systems project management.

Commissioner Strunsky asked if this system will actually produce the functionality anticipated.

Mr. Ballard responded that it is not on track and that is one of the reasons why we are taking corrective action. We are continuing to carefully evaluate where we are going with this system. He does not know if we will have 100% of the function intended. Taking this step will insure that the investment we do make will be a prudent one and will keep us from getting further off track. If we do run into difficulties in the installation process we will report back to the Commission with a recommended course of action.

Commissioner Strunsky asked for a three month report on the system.

Commissioner Crayton asked if this was competitively bid.

Mr. Ballard responded that it was not. The original procurement of the program was competitively bid.

10. Reject All Bids - Contract No. 3586 - Surface Movement Guidance and Control System, Phase I



Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance said that this contract will provide signage and marking along the aircraft operations area. Three bids were received on November 19, 1996. The bid required a 10% MBE/5% WBE participation. A review of the bids showed that all three bidders failed to achieve the required participation and further failed in the good faith efforts.

\* \* \*

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 11 through 17 were adopted unanimously.

Consent Items Relating to the Master Plan:

11. Reject All Bids - Contract No. 3606J - Abatement and Demolition of Lot C - Budget and Dollar Interim Rental Car Facilities and Plot 8S - Building 636, Chevron Hangar

No. 97-0039

Resolution rejecting all bids for Contract No. 3606J, Abatement and Demolition of Lot C - Budget and Dollar Interim Rental Car Facilities, and Plot 8S - Building 636, Chevron Hangar.

12. Bid Call - Contract No. 5828 - Emergency Response Facilities Nos. 1 and 3

No. 97-0040

Resolution approving the scope, budget and schedule for Contract No. 5828, Emergency Response Facilities Nos. 1 and 3, and authorizing the Director to call for bids when ready.

13. Reimburse Continental Airlines Inc. for Relocation Costs Incurred to Accommodate the Master Plan Program

No. 97-0041

Resolution authorizing reimbursement to Continental in an amount not-to-exceed \$75,000. to complete certain work required for relocation to Boarding Area "B" to accommodate the Master Plan Program.

Commissioner Quan asked if Continental could be required to use M/WBE's in this work.

Mr. Ballard explained that at present M/WBE participation is not required. If the Commission wishes, the item can be deferred.

Commissioner Quan said that he was not interested in deferring this item but was more concerned about imposing M/WBE participation on future work done by the airlines on the Airport's behalf.

Mr. Martin added that staff will prepare an off-calendar report for the Commission. The AMR Combs general aviation facility is using the City's M/WBE goals.

Commissioner Mazzola said that since the airlines are being reimbursed for work done on our behalf, they should be required to pay prevailing wage.

Consent Items Relating to Administration, Operations & Maintenance:

14. Modification No. 11 to Professional Legal Services Agreement with Law Firm of Howard, Rice, Nemerovski, Canady, Robertson and Falk

No. 97-0042

Resolution approving Modification No. 11 to agreement with law firm



of Howard, Rice, Nemerovski, Canady, Robertson and Falk to increase funding by the amount of \$50,000.00.

Commissioner Quan asked that these firms list their M/WBE participation.

Ms. Katherine Pennypacker, Deputy City Attorney responded that they can make that a requirement in the future. She noted that not all firms have MBE participation.

15. Renewal of Contract for Ground Transportation Hotline

No. 97-0043

Renew contract for ground transportation hotline with RIDES for Bay Area Commuters for an additional year, effective April 1, 1997 thru March 31, 1998, with a budget not to exceed \$86,000.00.

16. One-Year Extension - South Terminal Boarding Area "A" Retail Concession Lease A-1 - Charnel Company, San Francisco, Inc.

No. 97-0044

Resolution exercising one-year extension of Charnel Company, San Francisco, Inc.'s South Terminal Boarding Area "A" Retail Concession Lease A-1.

17. Host Food and Beverage Sublease - Pasqua Coffee Kiosk, International Terminal

No. 97-0045

Resolution approving Host Sublease of the Pasqua Coffee Kiosk in the International Terminal to Yogurt Expressions.

\* \* \*

K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

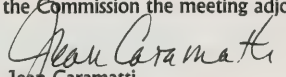
L. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM.

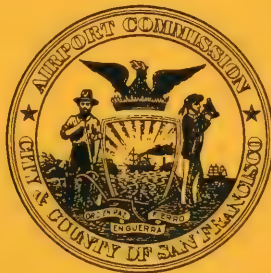
  
Jean Caramatti  
Commission Secretary





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# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

MARCH 3, 1997

\* SPECIAL MEETING  
9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



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Airport Commission Special Meeting  
March 3, 1997

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# AIRPORT COMMISSION SPECIAL MEETING MINUTES

March 3, 1997

## A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Michael S. Strunsky  
Hon. Larry Mazzola  
Hon. Linda S. Crayton

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of February 14, 1997 were adopted unanimously.

No. 97-0046

\* \* \*

## D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

## E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 through 6 were adopted unanimously.

### 1. Approval of Artists for Boarding Areas A & G

No. 97-0047

Resolution approving selection of the following artists for artwork at the gateterms in Boarding Areas A and G:

1. Juanna Alicia and Emmanuel Catarino Montoya
2. Rupert Garcia
3. Mildred Howard
4. Mike Mandel and Larry Sultan
5. Rigo '97

Ms. Susan Pontious, Art Commission, explained that these projects are for the nine gateterm boarding areas in "A" and "G". Each gateterm is 200 feet long with 2-story walls on either side.

The artists were asked to design bold imagery that could be communicated across distances. The artists were also required to work in materials that were light fast and in no way light sensitive.

Ms. Pontious introduced the artists ... Rupert Garcia, Mildred Howard and the teams of Juanna Alicia and





Emmanuel Montoya and Mike Mandel and Larry Sultan. Rigo was unable to attend.

Ms. Pontious, describing, Juana Alicia's and Emmanuel Montoya's proposal, said that the technique is fresco and is permanent. The fresco shows a number of figures and family groups from different cultures in the midst of the family environment. There is a reference to the local environment of the Airport with a depiction of wetlands and birds.

Rigo is working in mosaic tile using the image of a small boy.

Mildred Howard's piece is another sculptural presentation entitled Salt Peanuts which is a reference to a song made famous by Charlie Parker. Saxaphones will be used as a sculptural element.

Rupert Garcia's image will be executed in a hand glazed tile with a reference to flight.

Larry Sultan and Mike Mandel have digitalized taken photo images into one-inch tiles. The concept focuses on the gateroom and happy greetings.

There will be an image in each gateroom. In anticipation of future building at the Airport, the architects were asked to reinforce the walls on the other side in the event additional images were added.

The Commission will see the remaining images in April or May.

Commissioner Strunsky thought the proposals were very good. He assumed that a lighting program will be part of the architectural contract to provide light to these pieces.

Ms. Pontious responded that there is. They will work with the architects on mounting and installing the pieces.

Commissioner Strunsky assumed that the one with musical notes requires the clearance of the publisher of the song and said that he would be happy to offer his assistance in this regard.

Commissioner Quan asked about the maintenance requirements.

Ms. Pontious responded that these pieces are fairly maintenance free. The fresco will have to be washed with a damp cloth occasionally, as will the tiles. The Salt Peanuts will be coated to prevent tarnishing but it will have to be dusted occasionally as well.

Commissioner Quan asked who will be responsible for the maintenance.

Ms. Pontious responded that the ordinance has just been changed to provide that the Art Commission set aside 5% of Art Enrichment Funds for maintenance. Routine maintenance, such as dusting cases, has been folded into the Airport's general maintenance schedule.

Commissioner Crayton applauded the Art Commission for their selection of artists. The range of diversity presented today speaks to San Francisco and what the Airport Commission wants to say to those people coming into San Francisco.

Ms. Pontious noted that while this was a national competition, the artists selected were local.

Mr. Costas said that the maintenance requirements will be incorporated into the pieces upon final selection.

Ms. Pontious added that each piece will have a maintenance schedule.

Commissioner Quan said that he looks at the maintenance schedule in terms of preservation as well as keeping it clean. There are pieces in the City that have been left to deteriorate.

Commissioner Strunsky commended the architects for creating a marvelous exhibit idea.



2. Award of Professional Service Contract No. 3606.1- Environmental Consulting Services - Lee Incorporated/Brown & Caldwell, A Joint Association

No. 97-0048

Resolution approving award of Professional Service Contract 3606.1, Environmental Consulting Services, in the amount of \$5,000,000. to Lee Incorporated/Brown & Caldwell, A Joint Association.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that the Airport presently has three consultants providing professional services for environmental clean-up and remediation for the Master Plan. The Commission had previously expressed a desire to open up future work to competition.

Twenty-six responses were received for the Request for Proposals. Fifteen of those firms were determined to be qualified. Six of those firms joint ventured. Lee Incorporated is an MBE firm and will have 51% of the joint association. The MBE/WBE goals were 12% and 3% respectively.

Environmental clean-up is approximately 55% complete. The International Terminal Complex area is 85% complete.

Commissioner Berman asked who will monitor this contract.

Mr. Wong responded that Sam Mehta of his department will be responsible for this contract. Mr. Mehta is also in charge of the three consulting contracts that have been in progress for the last four years. Quarterly reports are provided to the Commission.

Commissioner Berman hoped that Commissioner Quan, as a CPA and Commissioner Strunsky, who is in construction would audit the expenditure of this \$5-million.

Mr. Wong explained that the \$5-million projection is for 5 years.

Commissioner Quan hoped that all contracts, construction, architectural, engineering, etc. are audited by our outside auditors.

Mr. Wong responded that Business and Finance has an auditor that performs that function.

Commissioner Crayton asked who was on the five-member panel.

Mr. Wong responded that the panel consisted of our attorney, a member of the San Mateo Health Department, and a staff member of the Regional Board. He did not recall the others.

Commissioner Crayton asked about the reporting structure.

Mr. Wong responded that Sam Mehta will be the responsible reporting party.

Commissioner Quan asked if there was a timeline for use of the M/WBEs. He has heard that MBEs are sometimes not utilized until the very end of the job.

Mr. Wong responded that consultants submit a team of personnel. We dictate to the consultants who we want and the type of expertise we are looking for.

Commissioner Strunsky asked if any of these funds are reimburseable to the Airport by the airlines or other tenants who have created environmental problems on Airport.

Mr. Wong responded that the responsible parties must reimburse the Airport if they fail to clean up the site.

3. Modification No. 3 to Contract No. 5000 - Airport Roadway and Concession Studies and Automatic Vehicle Identification System - Leigh Fisher Associates



No. 97-0049

Resolution approving Modification No. 3 of Professional Services Contract No. 5000 with Leigh Fisher Associates for Airport Roadway and Concession Studies and Automatic Vehicle Identification (AVI) System in the amount of \$650,000.00.

Mr. Tom Kardos, Administrator, Bureau of Design and Construction said that the Commission awarded the base contract to Leigh Fisher on April 9, 1994 in the amount of \$500,000.00. The scope included design studies and analytical work associated with the roadways and ground transportation issues in general.

Two modifications were awarded in August, 1995 and March 1996, adding to the original scope and increasing the contract amount to \$1,225,000.00.

The current modification proposed by this agenda item increases the original scope in traffic engineering services and adds the new task of advisory services to Airport staff in the development of new concession programs and the replacement of the existing Hilton Hotel.

The amount of this modification is \$650,000.00, increasing the contract amount to \$1,875,000.00, and is still within the baseline budget of \$2,325,000.00.

The MBE/WBE participation will remain at 15%. The December 31, 2000 completion date remains unchanged.

Commissioner Berman hoped that the contract will be monitored.

Mr. Kardos responded that this contract is based on a task authorized basis.

Commissioner Quan noted that this contract does not include a listing of M/WBE participants and asked if there is a timeline for their utilization.

Mr. Kardos responded that there is a timeline establishing M/WBE participation.

Commissioner Crayton asked if the additional \$650,000.00 will be at the same level for M/WBEs.

Mr. Kardos responded that it will be at the same level.

#### 4. Rejection of All Bids - Contract 5500I - International Terminal Energy Management Control System

No. 97-0050

Rejection of all bids received for Contract 5500I, International Terminal Energy Management Control System, and authorizing rebid when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos said that this agenda item requests approval to reject all bids received for Cotrtract No. 5500I, Energy Management Control System (EMCS) for the International Terminal.

Three bids were received on February 4, 1997. All three bidders failed to meet the MBE/WBE goals (20%/5% respectively) and did not provide acceptable good faith efforts documents.

As part of the re-bid we will re-evaluate the viability of the initial MBE/WBE goals, and the Airport Outreach staff will conduct seminars on the appropriate performance and documentation of good faith efforts.





In addition, in compliance with the Commission's guidelines and in response to industry concerns, we propose to cap incidental and consequential damages at \$7-million, the budget for the contract.

The new tentative bid date is March 21, 1997. This has no impact on the implementation schedule.

Commissioner Crayton asked when staff will know if the M/WBE goals are appropriate for this project.

Mr. Kardos responded that we should know within the next few days.

Commissioner Strunsky assumed that this system must coordinate with the HVAC systems that will be bid in the three principal International Terminal contracts and asked if this delay would affect the shop drawing process or any other process for the International Terminal.

Mr. Kardos responded that it will not.

5. Award Co-Financial Advisor Contract to the Team of Lazard Freres & Co./Siebert Brandford Shank & Co., Inc.

No. 97-0051

Resolution awarding co-financial advisor contract to the team of Lazard Freres & Co./Siebert Brandford Shank & Co., Inc. for the Airport's Bond Program.

Mr. Spencer Ballard, Deputy Director, Business and Finance said that fourteen proposals were received on January 9, 1997. The Financial Advisor Selection Committee selected four firms for additional consideration and interview. The Committee then recommended the two top ranking firms to the Director. Staff is recommending Lazard Freres/Siebert Brandford Shank.

The proposed contract is for a two year base term with three one year options. Compensation will be based on a combination of a retainer which includes the ability to provide three Airport revenue bond financings in each of the first three years plus a per transaction fee for an additional transaction or unusual transactions.

Commissioner Berman noted that there are guidelines within the financial community for fee structures of this nature and asked if staff followed those accepted guidelines.

Mr. Ballard responded that we did.

Commissioner Crayton asked who participated in the screening process.

Mr. Ballard responded that Katherine Pennypacker of the City Attorney's Office, Marcus Perro, Bob Kuo, Dave Glasser, all of Airport staff, and a member of the Controller's Office.

Commissioner Crayton realized that there probably aren't any firms who have the M/WBE component but asked that in the future we state what we have done to try and satisfy the component in every aspect of hiring.

Mr. Ballard responded that the Co-Financial firm is an M/WBE based in San Francisco and will receive 48% of the fee.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 6 and 7 were adopted unanimously.

6. Award of Agreements for Rental Car Operations at San Francisco International Airport





No. 97-0052 thru  
No. 97-0059

Resolutions awarding the Agreements for Rental Car Operations at SFIA to The Hertz Corporation, Avis Rent-A-Car System, Alamo Rent-A-Car, National Car Rental, Budget Rent-A-Car, Dollar Systems, Thrifty Car Rental and Enterprise Rent-A-Car.

Mr. Ballard said that eight proposals were submitted out of a possible nine. These contracts will be executed now but the commencement date will not occur until the completion of the rental car facility in late 1998 or 1999.

We have worked with the rental car companies to establish a process to execute the agreements. The rental car companies will have up to 60 days prior to the commencement date to establish their benefits programs in order to comply with the City's ordinance. If that 60-day limit is reached and the company finds that it cannot provide a domestic partner environment or elects not to pursue that course of action they will be allowed to escape with their surety bond. We are not concerned because there is tremendous demand for floor space. We can also convert some of that space into public parking.

The minimum guarantee for these contracts is \$25.2-million. The term of each agreement is for five years with one five year option.

Commissioner Berman asked how the \$25-million minimum compares with what we are receiving now.

Mr. Ballard responded that it is slightly less than our current income. The minimum annual guarantee was set at 85% of our current total of \$27-million.

7. Reimbursement to the San Francisco Foreign Flag Carriers for Providing Dedicated Airfield Bus Operations - Not-to-exceed \$150,000.00

No. 97-0060

Mr. Ballard explained that we are facing an increasing demand for international flights. That increased demand will continue right through the opening of our new International Terminal.

We have been using the existing buses for our ground transportation operations for United Airlines. Those buses meet aircraft that cannot get to a gate. With the increased demand for ground transportation movements, those buses will become less and less available for the airfield.

The Foreign Flag Carriers have offered to contract with a firm to provide three buses to be available on an on-call basis. Maximum exposure is expected to be about \$150,000.00 a year. We expect to gross about \$120,000.00. Most of the fees incurred will be recovered by charging the airlines a \$450.00 fee per operation.

Commissioner Berman asked who will hire the buses and make sure that they have liability insurance.

Mr. Ballard responded that the Foreign Flag Carriers will do the hiring but the Airport will be responsible for monitoring liability insurance.

Commissioner Crayton assumed that the company will be governed by all other City contracts.

Mr. Ballard responded that they will.

Item No. 8 was put over to after the end of the meeting.

8. Approval of Addendum No. 1 to the Ground Lease for Plot 7X - United Air Lines, Inc.

Commissioner Strunsky asked that this item be put over to the end of the closed session.



The Commission agreed.

\* \* \*

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 9 through 12 were adopted unanimously.

9. Approve Selection Panel's Nomination of Materials Testing and Special Inspection Consultant Contract No. 5500E - International Terminal Building, and - Contract No. 5701 - ART Maintenance Facility

No. 97-0061

Resolution approving Materials Testing and Special Inspection Selection Panel's nomination of Materials Testing and Special Inspection Consultant for Contract 5500E, International Terminal Building and Contract 5701, ART Maintenance Facility, and authorizing staff to prepare contracts for the Commission's consideration.

10. Authorization to Solicit Proposals for Bond Counsel Services

No. 97-0062

Resolution authorizing the Director to solicit proposals from bond counsel firms for the Airport's capital program.

11. Advance Approval of Noise Easements for FY1997/98 and Approval to Quitclaim Recorded Noise Easements

No. 97-0063

Resolution (1) approving in advance the acquisition of noise easements for home insulation funding pursuant to the Master Plan Memorandum-of-Understanding ("MOU"), and (2) approving the quitclaim of recorded noise easements.

12. Lease of Off-Airport Parcel from Trux Airline Cargo Services

No. 97-0064

Resolution approving City's sublease of an unimproved parcel of land in South San Francisco between Trux Airline Cargo Services, as sublessor, and City and County of San Francisco, acting by and through its Airport Commission, as sublessee.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests to speak from the public.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.



\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. There were no comments from the public.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled ADB Daimler-Benz Transportation (North America, Inc.) vs City and County of San Francisco and Airport Commission; and, Government Code Section 54956.9(b)(1) regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its meeting at 10:30 AM. The Commission determined that it was not in the public interest to disclose the nature of the discussion and voted unanimously not to disclose it. There were no comments from the public.

\* \* \*

The meeting reconvened at 10:30 AM. Item No. 8 was adopted unanimously.

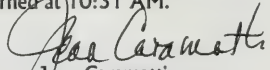
8. Approval of Addendum No. 1 to the Ground Lease for Plot 7X - United Air Lines, Inc.

No. 97-0065

\* \* \*

K. ADJOURNMENT:

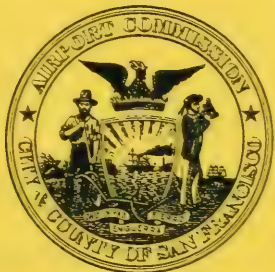
There being no further calendared business before the Commission the meeting recessed at 9:50 AM to go into closed session, reconvened at 10:30 AM and adjourned at 10:31 AM.

  
Jean Caramatti  
Commission Secretary



15  
2  
18/97

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

MARCH 18, 1997

9:00 A.M.

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CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**ROLAND A. QUAN**  
Vice President

**MICHAEL S. STRUNSKY**

**LARRY MAZZOLA**

**LINDA S. CRAYTON**

**JOHN L. MARTIN**  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





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March 18, 1997

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# AIRPORT COMMISSION SPECIAL MEETING MINUTES

March 3, 1997

## A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton

Absent: Hon. Larry Mazzola

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of March 3, 1997 were adopted unanimously.

No. 97-0066

\* \* \*

## D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

## E. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

1. 1996 "William R. O'Brien Perpetual Award for Employee Excellence - Edith Johnson

No. 97-0067

Mr. John Martin, Airport Director explained that the William R. O'Brien Perpetual Award for Employee Excellence is being given this year to Edith Johnson. Ms. Johnson has demonstrated her commitment as a Senior Clerk Typist for the Maintenance Division under Tom Murray.



Ms. Johnson does whatever it takes to get the job done. She has demonstrated her dedication to the Airport and works to develop a team spirit attitude among all Airport employees.

Ms. Johnson serves as the Safety Coordinator for the Facilities Operations and Maintenance division which has over 500 employees. She volunteered her time to serve on the 1996 United Way Combined Charities Campaign.

Mr. Martin thanked Ms. Johnson for her twenty years of dedicated service to the City, 18 of which have been spent in the employ of the Airport, and trusted that there will be many more years of service to come.

Ms. Johnson's name will be placed on the trophy and she will be presented with a framed resolution memorializing the Commission's action.

Commissioner Berman told Ms. Johnson that they were very proud of her.

Ms. Johnson thanked the Commissioners, Mr. Martin for selecting her and Mr. Murray for nominating her. She said that just as children are products of their parents, she is a product of Tom Murray and the Airport.

Ms. Johnson said that the Airport is the best department in the City. The employees are very professional and she takes great pride in her job.

\* \* \*

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was put over to the next meeting.

2. Award Contract 3606G - Environmental Remediation, Phase 11- Removal & Disposal of Contaminated Soil Sludge, and Water and Other Environmental Work - Performance Excavators

Resolution awarding Contract 3606G, Environmental Remediation, Phase II, Removal and Disposal of Contaminated Soil Sludge and Water and Other Environmental Work, to Performance Excavators, Inc., in the amount of \$3,400,469.00.

Mr. Martin said that contradictory information has been received from the Human Rights Commission regarding Miller Thompson's compliance with HRC's rules and goals. He needs time to look into the issue further with HRC.

Ms. Diane Miller, Miller Thompson thanked the Commission, Mr. Martin and staff for taking the time to meet with her on this issue.





Item No. 3 was adopted unanimously.

3. Memorandum of Understanding between San Francisco International Airport and City of Millbrae

No. 97-0068

Resolution approving the Memorandum of Understanding with the City of Millbrae to incorporate the development of an Airport-only access lane to SFIA as part of the Millbrae Avenue/Highway 101 Interchange Project.

Mr. John Costas, Administrator, Bureau of Planning and Environmental Affairs explained that at the time the Commission approved the Master Plan it also approved a Mitigation Program. That program focused on mitigating the noise impact as well as impacts associated with the Master Plan.

We have worked cooperatively with the surrounding cities. Our ramps and roadways project, as part of the Master Plan program, is not just an access project, but reduces traffic congestion on Highway 101. The ramp project is also part of the modification of the San Bruno interchange.

Millbrae recently undertook a modification of their interchange and we have been working with them to enhance the prime secondary access to the Airport and also to help mitigate traffic congestion. Part of that project is to establish a dedicated Airport-only access lane.

Staff has been working with the City of Millbrae to identify what that project will be and to fund up to \$2.1-million of the \$7.1-million project. The MOU was approved by the Millbrae City Council on March 11.

Millbrae undertook this project to accommodate local growth and to reduce traffic congestion in working with Caltrans and BART. The BART Millbrae Avenue Station project also requires mitigation and BART has agreed to contribute approximately \$3.5-million to the project.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 4 through 7 were adopted unanimously.

4. Award Contract 3524A - International Terminal Interim Improvements - Cuevas & Mannion Construction

No. 97-0069

Resolution authorizing award of Contract 3524A, International Terminal Interim Improvements to Cuevas & Mannion Construction in the amount of \$810,800.00.



Mr. Tom Kardos, Administrator, Bureau of Design and Construction said that the purpose of this contract is to improve passenger flow in the existing International Terminal. Improvements will be made to the meeter/greeter lobby at the arrivals level and to the ticket counters at the departures level.

Four bids were received on February 20, 1997. The first and second low bidders were non-responsive. Resource & Design, the low bidder, failed to submit the necessary bid bond required by the contract documents. Both bidders failed to comply with the requirements for MBE/WBE participation.

The third bidder, Cuevas & Mannion Construction, has been reviewed and determined to be eligible as the lowest responsive and responsible bidder. Their MBE/WBE subcontracting is 10%/12% respectively compared to the 12%/4% goal specified. They submitted acceptable good faith effort documentation.

The proposed bid is well within the \$960,390.00 budget. Contract time is 90 calendar days.

Commissioner Strunsky asked if we have gone the extra mile to explain to those bidders what their problems were.

Mr. Kardos responded that we are in the process. HRC, in conjunction with the Airport's Outreach Program, will conduct workshops with for the contractors on criteria for preparing an acceptable bid.

Commissioner Strunsky said that it is costly for contractors to make these bids. Helping them with help us. He asked if the bidder who failed to submit the proper bid bond was part of our surety enhancement program.

Mr. Kardos responded that he would check.

Commissioner Berman asked if all the contractors show up for the pre-bid conferences.

Mr. Kardos responded that they do.

Commissioner Quan asked if the contractors are told at the pre-bid conference that training and assistance in obtaining bid bonds is available.

Mr. Kardos responded that it is in the bid documents and the information is given at the pre-bid conference.

Mr. Martin explained that there will be another phase of International Terminal improvements prior to the summer of 1998. We are extremely congested in the International Terminal and we are trying to take steps each year to slightly expand capacity as traffic grows. He plans to present his plans to the Commission to use Boarding Area E for European departures to help relieve the congestion in the International Terminal.



5. Award Contract 3435R2 - Airport Medical Clinic Expansion - Kin Wo Construction, Inc.

No. 97-0070

Resolution awarding Contract 3435R2, Airport Medical Clinic Expansion, to Kin Wo Construction, Inc., the lowest responsive bidder, in the amount of \$431,060.00.

Mr. Kardos explained that the purpose of the contract is to remodel and expand the Airport Medical Clinic located at the arrivals level of the existing International Terminal. We will add 2,450 sq. ft. of space, increasing the size of the facility to 4,900 sq. ft.

The contract was originally bid on July 9, 1996. The three bids received exceeded the budget and were rejected by the Commission. The project was re-bid on September 17, 1996. Five bids were received. The first four bids were rejected for being non-responsive. The fifth bid exceeded the budget. The contract was re-bid on February 21, 1997. Six bids were received. Kin Wo Construction submitted the lowest responsive and responsible bid. At \$431,060.00 the bid is approximately 4% lower than the architect's estimate, and with 33% MBE and 6% WBE participation it exceeds the 20%/4% goals specified.

6. Rescission of Month-to-Month Holdover and Authorize a Pre-bid Conference - South Terminal "A" Retail Concession Lease A-1- Charnel Company

No. 97-0071

Resolution rescinding Charnel Company, San Francisco, Inc.'s one-year extension approving the holdover under the current terms and conditions and approving the request to hold a pre-bid conference to re-bid the South Terminal Boarding Area "A" Retail Concession Lease.

Mr. Spencer Ballard, Deputy Director, Business and Finance explained that he was recently before the Commission with a request to extend Charnel's lease for one year. Within several days after the Commission took that action, Charnel requested to be let out of its lease. Staff agrees that it is in the best interest of all parties to do so. Charnel has agreed to continue on a month-to-month basis until the lease can be re-bid.

This action rescinds the lease, replaces it with a month-to-month lease through the award of the concession, and authorizes the initiation of the selection process for the new proposer.

This Boarding Area "A" space only has a life expectancy of three years. It will be difficult to find a tenant under these conditions. Staff proposes to leave the selection wide open. It is most likely that bidders for this lease will be existing Airport tenants.

Commissioner Berman thought it sounded like a fair solution.

Commissioner Quan thought that any existing tenant would be happy to have a lease extended for a year. He asked if this was a warning sign.



Mr. Ballard responded that Airport practice is to bid a fixed percentage of gross revenues and use the bid item as the minimum guarantee. In this case the percentage was set at 20%. This is a very aggressive percentage and has proven to be too much for this location. The new bid will carry a minimum guarantee of 15%.

Commissioner Quan asked if it would be more practical to negotiate with the existing tenant.

Mr. Ballard recommended against that approach.

7. Authorization for Pre-Bid Conference - Automated Teller Machine (ATM) Leases

No. 97-0072

Mr. Ballard explained that we presently have two ATM providers ... Bank of America and American Express. The American Express lease is due to expire in April. There are currently five ATM locations. Additional sites have been identified which will bring the total to 15.

Staff is proposing to award leases to up to three bidders. When the bids are ranked, awards can be made to any within 15% of the high bid. There is also a mechanism for multiple awards to a single bidder if the spread between the highest bids is greater than 15%.

Commissioner Berman noted that there is a \$75,000.00 minimum for each one. He asked if that meant that there could be three at \$225,000.00.

Mr. Ballard said that that is correct.

Commissioner Strunsky noted that there is a lot of discussion between various banks regarding service fees and the way they are apportioned.

Mr. Ballard responded that the bid documents give control of the fees charged to customers to the Director. If a fee is approved by the Director, the approval will be contingent on sharing the revenue.

Commissioner Strunsky asked when Bank of America's lease is up.

Mr. Ballard responded that it is several years away.

Mr. Martin believed that if a per transaction fee is charged, the Airport must realize a significant share of that revenue in the same way that hotel operators and casinos realize a significant share of the revenue of ATM machines.

Commissioner Quan asked how a passenger uses a Bank of America ATM machine if the passenger is not a Bank of America customer.

Mr. Ballard responded that anyone on the Cirrus or Star system can access the Visa/MasterCard system. A \$1.50 fee is currently assessed.





Mr. Balliard explained that if there are two bidders, the high bidder will get first selection, the next bidder will select from the remaining two

Commissioner Crayton assumed that there will be only one ATM per location.

Mr. Ballard responded that there can be multiple ATMs per location but only one provider per location.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 8 through 14 were adopted unanimously.

8. Bid Call - Contract No. 3606C - Abatement and Demolition - Various Locations

No. 97-0073

Resolution approving final plans and specifications and authorizing Director to call for bids for Contract 3606G, Abatement and Demolition, Various Locations, when ready. Estimated completion time is September, 1998, and estimated cost for three buildings is \$6.37 million.

9. Approval of an Additional Shoeshine Location - Shine 'Em Up

No. 97-0074

Resolution approving a new shoeshine location in Boarding Area "F" during the near-term Master Plan construction.

10. Award Contract 3376 - North Field Apron Blast Protection - LTM Construction Company

No. 97-0075

Resolution awarding Contract 3376, North Field Apron Blast Protection, to the lowest responsive, responsible bidder, LTM Construction Company, in the amount of \$520,600.00.

11. Award Contract 2248 - International Terminal Exterior Doors - Wild Automatic Door, Inc.

No. 97-0076

Resolution awarding Contract 2248, International Terminal Exterior Doors, to Wild Automatic Door, Inc., in the amount of \$362,512.00.

12. Award of Contract No. 2349E - Exterior Ramps, ADA Modification - P&A Construction



No. 97-0077

Resolution awarding Contract 2349E, Exterior Ramps, ADA Modification to the lowest responsive, responsible bidder, P & A Construction, in the amount of \$345,000.00.

13. Approve Final One-year Option - Garage Taxi Staging Area Mobile Catering Lease "A" and "B"

No. 97-0078

Resolution approving the final one-year option for Garage Taxi Staging Area Mobile Catering Leases "A" and "B to Caterer's Club, a small business enterprise.

14. Modification No. 5 to Legal Services Agreement with Law Firm of Richard H. Jordan

No. 97-0079

Resolution approving Modification No. 5 to Legal Services Agreement with the law firm of Richard H. Jordan to increase compensation by the amount of \$18,000.00 through the end of FY 96/97; all other terms and conditions of contract to remain in full force and effect.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

The Commission voted unanimously to go into closed session.



The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled ABB Daimler-Benz Transportation (North America, Inc.) vs City and County of San Francisco and Airport Commission.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

The Commission determined that it was not in the public interest to disclose the nature of the discussion and voted unanimously not to disclose it.

\* \* \*

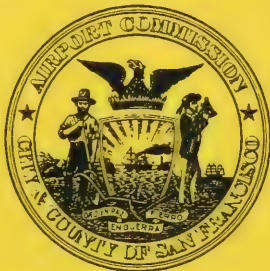
L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:29 AM to go into closed session.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

APRIL 1, 1997

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**

President

**ROLAND A. QUAN**

Vice President

**MICHAEL S. STRUNSKY**

**LARRY MAZZOLA**

**LINDA S. CRAYTON**

**JOHN L. MARTIN**

Airport Director

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E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Approve Lease, Use & Operating Agreement for BART Station & Related Facilities & Grant of Easement at SFIA	97-0081	3-4
	2.	Award Contract 2349F.1 - North Terminal Restroom Renovations - BCN Company	97-0082	4
	3.	\$23,190,287.00 Supplemental Appropriation Request	97-0083	4
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
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		ADDENDUM:		
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G.	NEW BUSINESS:	5-6
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	Potential Litigation	5
J.	ADJOURNMENT:	6



## AIRPORT COMMISSION MINUTES

April 1, 1997

A court reporter's transcript is available.

### A. CALL TO ORDER:

The regular meeting of the of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Larry Mazzola  
Hon. Linda S. Crayton

Absent: Hon. Michael S. Strunsky

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 18, 1997 were adopted unanimously.

No. 97-0080

\* \* \*

### D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

### E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 1 through 3 were adopted unanimously.

1. Approval of Lease, Use, and Operating Agreement for BART Station and Related Facilities and Grant of Easement at San Francisco International Airport

No. 97-0081

Resolution approving the Lease, Use, and Operating Agreement for BART Station and Related Facilities and Grant of Easement at SFIA for a term of 50 years at an



annual rent of \$2.5 million.

2. Award of Contract No. 2349F.1 - North Terminal Restroom Renovations - BCN Company  
No. 97-0082 Resolution awarding Contract No. 2349-F.1, North Terminal Restroom Renovations, to BCN Company in the amount of \$339,086.00.

3. Approve Request for \$23,190,287.00 Supplemental Appropriation  
No. 97-0083 Resolution approving a Supplemental Appropriation in the amount of \$23,190,287.00 appropriating interest income earned on the Airport's construction funds for FY 1995/96.

\* \* \*

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 4 through 7 were adopted unanimously.

4. Bid Call - Contract No. 3647 - North Access Road Improvements at Plot 42  
No. 97-0084 Resolution approving the scope, budget and schedule for Contract 3647, North Access Road Improvements at Plot 42, and authorizing the Director to call for bids when ready.
5. Contract Extension Options - Pacific State Airline Services, Inc - Baggage Handling Services  
No. 97-0085 Resolution authorizing the Director to exercise the Airport Commission's options to extend its agreement with Pacific State Airline Services, Inc., a registered Minority Business Enterprise (MBE), for center island baggage handling services for two six-month terms commencing June 1, 1997, at a cost not to exceed \$134,000.00 for each six-month period.
6. Second Modification of Federal Aviation Administration Lease for Continued Operation and Maintenance of Certain Air Navigational Instrument Sites  
No. 97-0086 Resolution authorizing a second modification of Federal Aviation Administration Lease No. DTFA08-95-L-14707 to reflect the relocation of certain air





navigational equipment.

7. Shuttle Bus Service Agreement #68252, Modification #18

No. 97-0087

Resolution approving adjusting the payments to be made for shuttle bus services through December 31, 1997.

\* \* \*

I. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled ABB Daimler-Benz Transportation (North America, Inc.) vs City and County of San Francisco and Airport Commission and Government Code Section 54956.9(b)(1) to discuss potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

ADDENDUM:

The Addendum Items were adopted by 3 to 1 votes with Commissioner Mazzola casting the dissenting votes.

Rescind Award of Contract No. 5703A - Phase I ALRS Operating System and Phase II ALRS Operation and Maintenance

No. 97-0088

Reject All Bids and Authorize Re-bid of Contract No. 5703A

No. 97-0089

\* \* \*

G. NEW BUSINESS:



This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

H. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

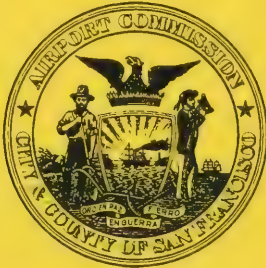
J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:50 AM.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

APRIL 15, 1997

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

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JOHN L. MARTIN  
Airport Director

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F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
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		- Contract 5500.5 - International Terminal Bldg/ART Maintenance Facility	97-0093	
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	- Contract 5905.4 - Inbound-Outbound Ramps/Taxiways A & B Realignment	97-0102	
	5. Award Contract 5500F - International Terminal Baggage System	97-0103	8-10
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## AIRPORT COMMISSION MINUTES

April 15, 1997

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428 of the War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton

Absent: Hon. Larry Mazzola

\* \* \*

### C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

### D. DIRECTOR'S REPORT:

#### 1. Master Plan Quarterly Update

Report on the status of the Master Plan Projects as of March 15, 1997 in accordance with the Baseline Budget and Schedule.

Mr. Tom Kardos, Administrator, Bureau of Design and Construction explained that this quarterly report summarizes the progress of the project and provides an analysis of budget and schedule issues through March 15, 1997.

During the reporting period we awarded approximately \$294-million, or 12% of the program in contracts, bringing the aggregate amount to over \$1.2billion or 48.5% of the total program. With regard to invoices paid, we processed almost \$103 million, or 4% of the program bringing the cumulative amount to \$433 million, or 17% of the program.

Out of the \$113.6 million contingency budget, we used \$16 million, or 12%, comparing favorably with the 17% program completion.



Our program cash flow of \$430 million lags behind the \$464 million scheduled for early completion, but is ahead of the \$341 million scheduled for late completion.

The management reserve originally budgeted at \$103.7 million, increased by \$47.2 million to \$150.9 million due to bid underruns. This balances the approximately \$45 million unrealized in planned value engineering savings. The continuing trend in bids coming in lower than the baseline budget provides reasonable assurance for program completion within budget.

In the area of schedule, the principal program milestones are on schedule with the notable exception of the ART Operating System. Within the individual projects, the International Terminal is cause for concern due to delay in the pile driving and foundation construction schedule. The steel erection is approximately one month behind schedule. The project CM and the general contractor are developing a recovery schedule that would make up for the slippage by rephasing the installation sequence of the general building contract.

The construction of the boarding areas is on schedule. The ramps and roads are essentially on schedule.

The impact of the litigation on the ART system contract is estimated to be a 4-6 month delay.

The MBE/WBE participation in construction has been 15.2%/5.5% respectively. In professional services, we reached 46.3%/8.4% respectively. We expect major improvement in timely reporting of MBE/WBE participation by making the submittal of up-to-date reports a condition of payment invoices.

Our safety statistics compare favorably with Federal averages. Nevertheless, we are continuing to improve our procedures for education and enforcement.

Our coordination with Caltrans continues to be very close and effective. This is essential for the successful completion of our ramps and roadways.

Similarly, we are continuing our efforts to integrate the BART extension with the Master Plan Program.

Commissioner Strunsky noted that the Caltrans permit is still pending and asked if there was a problem.

Mr. Kardos responded that there is no problem. There is a coordination issue between Caltrans and the Federal Highway Administration (FHWA).

Commissioner Quan asked Mr. Kardos to go over the graph on page 2 of the summary.

Mr. Kardos explained that the cash flow potential is compared by showing an early completion and a late completion. These represent the earned or constructed value. The present cumulative earned value is \$430 million. The dotted lines represent late completion.

Commissioner Quan asked if this provided an early warning sign if construction is not on time.



Mr. Kardos responded that if the actual cumulative value fell below the late completion curve it would be an indication that we have some problems.

Commissioner Crayton noted on Page 18, Contract No. 5500B, the contingency budget has been overrun.

Mr. Kardos responded that the International Terminal is composed of a number of contracts. This particular contract is overrunning its contingency. Other components of the project have not used their contingency amounts. We are compensating the foundation contract out of the contingency allocated for the other contracts within the project. There are two efficiencies involved in this. The first is that the underground construction is always a component of any project that uses the most contingencies. The second is that it is very likely that of all of our projects the International Terminal is going to be the most difficult with regard to contingencies. The controls are easier and there is less exposure on the linear projects such as the ramps and guideways.

Commissioner Crayton asked if there is a dollar amount associated with this.

Mr. Kardos responded that the report breaks it down.

Commissioner Strunsky said that we've known for some time that the pile driving has had a significant overrun. He asked if that is the significant portion of this issue.

Mr. Kardos responded that it is, along with the foundations. Page 21 offers a breakdown.

\* \* \*

## E. POLICY:

Item No. 2 was adopted unanimously.

### 2. Airport MBE Subcontractor "Best Efforts" Policy for Non Master Plan Construction Projects

No. 97-0090

A resolution to amend the Airport "Best Efforts" policy to establish ethnic specific goals on construction projects under \$10,000,000.00.

Mr. John Martin, Airport Director, explained that in April 1996 the Commission approved the establishment of ethnic specific best effort goals for contracts over \$10 million. He is now requesting that the Commission amend the policy to provide for setting ethnic specific best effort goals for contracts over \$2 million.

\* \* \*

## F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 through 5 were adopted unanimously.





3. Reimbursement to Budget Rent-A-Car Systems, Inc. for Costs Incurred in Temporary Relocation from Lot C Facility to Fifth Floor of Garage to Accommodate the Master Plan Program

No. 97-0091

Resolution authorizing reimbursement to Budget Rent-A-Car Systems, Inc. in the amount of \$573,618.77 for costs incurred in temporary relocation from Lot C facility to fifth floor of Garage to accommodate the Master Plan Program.

Ms. Spencer Ballard, Deputy Director, Business and Finance explained that last summer Budget Rent-A-Car was relocated to accommodate the Master Plan. Budget was reimbursed for a number of costs incurred during that relocation. Those costs can be categorized into four major categories: \$100,000.00 in start up costs; \$340,000.00 in incremental operating costs, including security and an increase in the number of additional vehicles required to operate; \$30,000.00 in restarting costs; and, \$100,000.00 in business interruption costs.

There were additional costs totaling \$125,000.00, however staff felt that those included a number of costs that would have been incurred regardless of the relocation. Those costs were rejected.

Approximately \$372,000.00 of the total amount was contracted to other parties. Of that amount, \$175,000.00 was contracted to WBEs.

Commissioner Strunksy noted that this is being taken as a rental credit. He asked if this would be part of the Master Plan cost and thereby amortized.

Mr. Ballard responded that this is a Master Plan cost. The process for reimbursing money is through a rental credit. The operating revenues will be reimbursed through a transfer of the Capital funds.

4. Award of Materials Testing and Special Inspection Professional Services Contracts

Approve award of Professional Services Contracts to eleven Materials Testing and Special Inspection (MTSI) consultants for Airport Master Plan projects.

	<u>Contract No.</u>	<u>Description</u>	<u>Amount</u>
No.97-0092	5500.4	International Terminal Structural Steel/ Concourse H ART Station MTSI Services to Smith-Emery/ISI, a Joint Venture in the total amount not to exceed	\$2,632,859.22
No. 97-0093	5500.5	International Terminal Building/ART Maintenance Facility MTSI Services to Consolidated Engineering Services in the total amount not to exceed	\$1,053,124.05



No. 97-0094	5500.6	North Connector Building/Elevated Circulation Roads MTSI Services to Signet Testing Laboratories in the total amount not to exceed	\$1,192,661.00
No. 97-0095	5600.4	North and South International Parking Garages MTSI Services to Kleinfelder Incorporated in the amount not to exceed	\$ 693,715.00
No. 97-0096	5601.4	Utilities Relocation Phase 10 MTSI Services to BSK and Associates in the amount not to exceed	\$50,000.00
No. 97-0097	5650.4	Rental Car Facility on Lot D MTSI Services to Testing Engineers, Incorporated in the amount not to exceed	\$790,183.00
No. 97-0098	5700.4	ART Guideway MTSI Services to Harza Engineering of California, Inc. in the amount not to exceed	\$1,800,000.00
No. 97-0099	5750.4	North Cargo Facility MTSI Services to Applied Materials, Inc. in the amount not to exceed	\$300,000.00
No. 97-0100	5828.4	Emergency Response Facility (ERF) #1 and #3 MTSI Services to PSC Associates in the amount not to exceed	\$95,350.00
No. 97-0101	5850.4	West Cargo Facility/Boarding Area A Apron MTSI Services to Ross Engineering Services (RES) in the total amount not to exceed	\$512,675.00
No. 97-0102	5905.4	Inbound-Outbound Ramps/Taxiways A and B Realignment MTSI Services to Terratech, Inc., in the total amount not to exceed	\$1,279,897.00
		Total Amount of All Contracts	<u>\$10,400,464.27</u>



Mr. Kardos explained that on February 14, 1997 the Commission authorized staff to prepare professional services contracts covering material testing and special inspections services for the Commission's consideration.

In accordance with the Commission's direction, staff negotiated a fee schedule and not-to-exceed total fee for each individual project. The negotiated fees were reviewed and approved by the Airport's Consultant Fee Review Committee. The total contract amounts fall within 1%-1.5% of construction budgets characteristic for the industry.

The duration of the contracts is for the duration of the individual project, with the exception of services performed by the team led by Consolidated Engineering Laboratories, which will be authorized on a yearly basis. The contracts range from approximately \$95,000. to \$2,632,860. The aggregate amount of the 11 contracts is \$10,400,464.

The MBE/WBE participation goal was set at 12% combined value. All teams meet or exceed the goal. The MBE/WBE participation breakdown and time line is presented in the agenda package.

Commissioner Strunsky asked if we are certain that all of the firms have the appropriate error and liability insurance within the limits that have been established.

Mr. Kardos responded that the selection process was vigorous and included verification and financial wherewithall.

Mr. Martin added that they will also have to submit certificates from their insurance companies showing that they meet the insurance requirements before the contract is certified.

Commissioner Berman said that it was his understanding that there are 11 project managers watching these 11 contracts. He asked if the total amount of the 11 contracts was within the estimate.

Mr. Kardos responded that they are. He explained that 1-1/2% of the budget of each project is allocated to testing tasks.

Commissioner Quan asked if these contracts were for the duration of the project. He assumed that if any of these contractors fail to perform, we have the option of replacing them.

Mr. Kardos responded that that was correct.

Commissioner Crayton asked if the Commission had previously been presented with an item regarding overall supervision of these firms.

Mr. Kardos responded that the project managers will supervise the performance of these contracts, both technically and with regard to the budget and schedule.

5. Award Contract 5500F - International Terminal Baggage System - BAE Automated Systems, Inc.



Resolution awarding Contract No. 5500F, International Terminal Baggage System, to BAE Automated Systems, Inc., in the amount of \$43,091,060.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that the purpose of this contract is to manufacture and install the baggage handling system for the new International Terminal.

The contract was initially bid on June 25, 1996. Two contractors, BAE Automated Systems, Inc. and Rapistan Demag Corporation submitted bids. Both bids were determined to be non-responsive and, consequently, were rejected by the Commission.

As part of the re-bid process, both the technical and commercial terms of the contract were revised to create a more competitive environment.

After some expression of initial interest by two more potential bidders, we received two bids on March 25, 1997 from the two original bidders, BAE and Rapistan.

The low bidder was BAE at \$39,368,209 versus Rapistan at \$42,984,346. The approved budget was \$43,200,000.

The bid included nine additive alternates, of which he recommends the Commission accept four, that cover additional baggage claim devices and related feeder belts increasing the contract amount to \$41,643,345. In addition, the airlines requested that the Airport accept the alternate covering the system connection between the International Terminal and the North Terminal in the amount of \$1,447,715. for a total award amount of \$43,091,060.

The MBE/WBE combined goal of 5% has been exceeded by BAE at 5.2%. The list of MBE/WBE firms, their participation and timing of work is presented in the information before the Commission.

Commissioner Strunsky understood that one of the reasons the contract was re-bid was to try and get Jarvis Webb to bid. Apparently they looked at it and withdrew a second time. He asked what the numbers were in the first bid.

Mr. Pete Bittenbender, Project Manager, responded that the first time around we were at \$41 million and \$44 million. Both bidders indicated after the award that they had a number of possible revisions to the system that could lead to a reduction in cost without a reduction in function. Staff is meeting with the successful bidder.

Commissioner Strunsky noted that a large piece of this system is on the critical path to meet the





May 2000 opening.

He noted that in the current plan for Concourse H there is a location for BART passengers to check domestic luggage and asked if that was coordinated with the system.

Mr. Bittenbender responded that it is coordinated.

Commissioner Strunsky noted that the ticket counters on the north side will only be able to check baggage to Concourse G, and the ticket counters on the south side will go to Concourse A. Some of the Chinese airlines are very concerned about where they will be in the ticketing hall. He asked if there will be a problem checking baggage and if we have accepted that alternate.

Mr. Bittenbender responded that we have not accepted it in this package but it can be accepted. It is being evaluated and discussed. Presently, the two on the north go to the north boarding area, the two on the south go to the south boarding area, and the two in the center can go in either direction. Passenger loads have to be evaluated.

\* \* \*



G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 6 through 10 were adopted unanimously.

6. Bond Authorization for BART Extension to SFO

No. 97-0104	Resolution providing for the issuance of not to exceed \$220,000,000.00 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds for infrastructure projects including but not limited to the BART Extension to SFO.
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Mr. Ballard explained that this action authorizes staff to sell up to \$220,000,000.00 for the BART project, which includes \$200,000,000.00 in project costs and \$20,000,000.00 in financing costs.

This is the first step in the authorization process. The second step is Board of Supervisors approval. The third step is to return to the Commission with a series resolution for the bond sale.

Commissioner Quan asked what happens if the Commission approves this action and the project fails to go forward.

Mr. Ballard responded that the bonds will not be sold.

Mr. Jon Twitchell, member of COST (Coalition for a One Stop Terminal), said that a letter went to Senator Shelley on Friday reminding him of the 60-day notice requirement. Those notices cannot go out until the FAA approves the March 3rd agreement. The March 3rd agreement is not enforced yet because the policy letter that BART and the ATA are supposed to write has not been written, nor have they discussed the nature of the letter. Further, the Board of Supervisors is becoming increasingly concerned about exposure to the City's General Fund.

Mr. Twitchell said that there is concern about people parking for free in Millbrae and taking BART in to the Airport.

Mr. Twitchell urged the Commission to exercise caution with regard to these revenues.

7. Award of Contract No. 3062B - Repair Taxiway 'A' and Widen Taxiway 'R' - Marinship Construction Services, Inc./Ghiolotti Brothers Construction, Inc., a Joint Venture

No. 97-0105	Resolution awarding Contract No. 3062B, Repair Taxiway 'A' and Widen Taxiway 'R' to the lowest responsive, responsible bidder, Marinship Construction Services, Inc./Ghiolotti Brothers Construction, Inc., a Joint Venture, in the amount of \$2,317,300.00.
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Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that this contract will repair Taxiway A and widen Taxiway R. Four bids were received on October 31,



1996. The low bid was deemed non-responsive due to failure to fill out all of the bid forms. The second and third bidders had protests filed against them by the fourth bidder citing qualification issues. More than 60 days was needed to complete the evaluation. The second and third bidders were asked to extend their bids. The second bidder declined. The third bidder, Marinship, agreed. The evaluation was completed and the determination was that the protest against Marinship was without merit.

8. Award of Contract No. 3192A - Super Bay Apron for VIP Parking Construction - Ghilotti Brothers Construction, Inc.

No. 97-0106                      Resolution awarding Contract No. 3192A, Super Bay Apron for VIP Aircraft Parking Construction to the lowest responsive, responsible bidder, Ghilotti Brothers Construction, Inc., in the amount of \$949,550.00.

Mr. Wong explained that this project constructs a new taxiway in front of the American superbay hangar. This work is required in order to move the parking apron in front of the United MOC.

Seven bids were received on March 10. The low bidder is Ghilotti. The project will be 75% funded by the FAA.

9. Second Modification of Bank of America Lease

No. 97-0107                      Resolution that approves the second modification to Bank of America Lease, providing for Bank of America to pay City a percentage of ATM fees charged at San Francisco International Airport.

Mr. Ballard explained that within this modification the Bank of America will include two additional ATMs. In November 1996 the Bank instituted a \$1.50 surcharge to its non-bank customers for each transaction. The Airport will receive, as percentage rent, 33% of all such transaction fees. He estimates that that will generate approximately \$100,000.00 to \$150,000.00 in additional revenue for the Airport per year.

Commissioner Quan asked how we know if an institution is charging fees.

Mr. Ballard responded that appropriate language has been inserted into the proposal process.

10. Contract with the California Academy of Sciences - \$75,000.00

No. 97-0108                      Resolution approving contract for \$75,000.00 with the California Academy of Sciences for the purpose of providing the concept for a Learning Center based on science and ecology emphasizing local endangered species of flora and fauna or a



means to participate locally in preserving and exploring the environment in the vicinity of the Airport. The key element of the exhibition will be the display of the California Garter Snake.

Mr. Martin explained that in 1992 the Commission approved the establishment of a Children's Museum Program. The first exhibit was installed in the South Terminal about three years ago. The program is being expanded to include a new exhibit in the International Terminal which will open this summer and one in the North Terminal which will open in September. This exhibit will focus on endangered local flora and fauna as well as endangered local species, which includes the San Francisco Garter Snake.

Commissioner Berman asked if this was a mitigation effort for the West of Bayshore.

Mr. Martin responded that it can be viewed that way. It shows good will in promoting local endangered species.

Commissioner Berman asked who monitors the money.

Mr. Martin responded that the Exhibitions Department will monitor the funds with the assistance of the Business and Finance staff.

Commissioner Quan asked if the California Academy of Sciences and the Fine Arts Museums had to adhere to 12d and 12b.

Ms. Mara Rosales, Airport General Counsel, responded that they are not a City contract awarding authority so by definition they do not fall under Chapter 12d. As they are non-profits they would also be excluded under a different provision of that ordinance. However, since they are a contracting party of the Commission she will look into a best efforts type policy.

Mr. Martin said that he will include best efforts language in the contracts. He will also report to the Commission on the goals the Museums have actually established.

Commissioner Strunsky asked how we inform the public at the Airport about these exhibits.

Mr. Martin responded that the "You Are Here" maps identify the exhibition areas, the Exhibitions Department produces brochures, there is a phone line providing information on exhibits, and there is a page on the Internet.

Commissioner Strunsky asked if each exhibit area provides information on other exhibit areas.

Mr. Martin thought that was a good idea and would follow up on it. He thought information at the nursery was a good way to promote the program as well.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:





Item Nos. 11 through 17 were adopted unanimously.

11. Bid Call for Contract No. 5700.B - ART Guideway, Westside

No. 97-0109

Resolution approving the scope, budget and schedule for Contract No. 5700.B, ART Guideway, Westside, and authorizing the Director to call for bids when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

12. Bid Call - Contract No. 5701.A - ART Maintenance Facility

No. 97-0110

Resolution approving the scope budget and schedule for Contract No. 5701.A, ART Maintenance Facility, and authorizing the Director to call for bids when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

13. Modification No. 1 to Contract No. 5602.1 - Walker Parking Consultants/Engineers, Inc. in Association with Kwan Henmi Architecture/Planning, Inc.

No. 97-0111

Resolution approving Modification No. 1 of Professional Services Contract No. 5602.1 with Walker Parking Consultants/Engineers, Inc. in association with Kwan Henmi Architecture/Planning, Inc. in the amount of \$125,400.00 for the design of SFIA Employee Parking Facility No. 3 at Plot 7 to incorporate numerous Value Engineering Change Proposals.

14. Contract with the Corporation of the Fine Arts Museums in San Francisco, - \$224,000.00

No. 97-0112

Resolution approving contract for \$224,000.00 with the Corporation of the Fine Arts Museums (COFAM) in San



Francisco for the purpose of providing and implementing temporary exhibitions at San Francisco International Airport for the period July 1, 1997 - June 30, 1998.

15. Modification No. 4 to Professional Legal Services Agreement with Ruiz & Schapiro to Increase Compensation by the Amount of \$100,000.00

No. 97-0113

Resolution approving Modification No. 4 to Professional Legal Services Agreement between Ruiz & Schapiro and the Airport Commission to increase compensation by the amount of \$100,000.00; all other terms and conditions of the contract to remain in full force and effect.

16. Modification No. 16 to Professional Legal Services Agreement (Noise Contract) with Morrison & Foerster to Increase Compensation by the Amount of \$500,000.00

No. 97-0114

Resolution approving Modification No. 16 to Professional Legal Services Agreement (Noise Contract) with Morrison & Foerster to increase compensation by the amount of \$500,000.00; all other terms and conditions of the contract to remain in full force and effect.

Commissioner Quan noted that the information indicates that they are possibly working on a joint venture with MBEs.

Ms. Rosales responded that it is currently in negotiations but she has every expectation that it will materialize.

Commissioner Crayton asked if these firms will be bound by the domestic partner agreement.

Ms. Rosales responded that the law covers contract modifications as well.

17. Bid Call - Contract No. 3513 - As Needed Electrical Repairs

No. 97-0115

Resolution to approve the scope, budget and schedule for Contract No. 3513, As-needed Electrical Repairs and authorize the Director to call for bids when ready.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any



topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Sections 54956.9(b)(1) to discuss potential litigation.

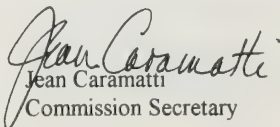
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

The Commission determined that it was not in the public interest to disclose the nature of the discussion and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:50 AM to go into closed session.

  
Jean Caramatti  
Commission Secretary



5  
/97

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

MAY 6, 1997

9:00 A.M.

DOCUMENTS DEPT.

JUN 12 1997

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President

ROLAND A. QUAN  
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MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





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May 6, 1997

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Airport Commission Meeting  
May 6, 1997

A court reporter's transcript is available.

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton

Absent:	Hon. Larry Mazzola
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\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meetings of April 1, 1997 and April 15, 1997 were adopted unanimously.

No. 97-0116

\* \* \*

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

E. POLICY:

Item No. 1 was adopted unanimously.

1. Resolution Concurring with the Mayor's Proposal for the San Francisco Police Department to Provide Law Enforcement Services at the San Francisco International Airport

No. 97-0117

Resolution concurring with the Mayor's proposal to reorganize duties and functions between the San Francisco Police Department (SFPD) and the Airport Police Bureau and to adopt and approve the joint management principles to allow SFPD to provide law enforcement services to the



San Francisco International Airport.

\* \* \*

L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The Commission convened its closed session at 9:07 AM and recessed at 9:47 AM. The closed session was reconvened at the at 10:43 AM at the conclusion of the calendar.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled ABB Daimler-Benz Transportation (North America, Inc.) vs City and County of San Francisco and Airport Commission, and Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation and the Settlement of the Industrial Retirement Application of John Vandenberg.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission determined that it was not in the public interest to disclose the nature of the discussion and voted unanimously not to disclose it.

\* \* \*

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 6 were adopted unanimously.

2. Reject All Bids - Contract No. 3606G - Environmental Remediation, Phase II - Removal and Disposal of Contaminated Soil, Sludge, Water and Other Environmental Work

No. 97-0118

Resolution rejecting all bids for Contract 3606G, Environmental Remediation, Phase II - Removal and Disposal of Contaminated Soil, Sludge, Water and Other Environmental Work, and authorizing the Director to re-bid this contract as Contract No. 3606GR when ready.

3. Award Contract No. 5905A - Inbound/Outbound Ramps and Structures - Myers/Kulchin-Condon, A Joint Venture

No. 97-0119

Resolution awarding Contract 5905A, Inbound/Outbound Ramps and Structures, to the lowest reliable, responsive and responsible bidder, Myers/Kulchin-Condon, A Joint Venture, in the amount of \$66,133,006.00, contingent





upon completion of the Human Rights Commission's review and Airport staff's concurrence with a favorable HRC opinion regarding compliance with the MBE and WBE subcontractor participation requirements.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

4. Award Contract 5500J - International Terminal North Connector Package - Dillingham Construction

No. 97-0120

Resolution awarding Contract 5500J, International Terminal North Connector Package, to Dillingham Construction in the amount of \$21,908,045.00, contingent upon completion of the Human Rights Commission's review and Airport staff's concurrence with HRC's opinion that Hensel Phelps failed to comply with the MBE and WBE subcontractor participation requirements and a favorable opinion regarding Dillingham Construction's compliance.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

5. Award of Contract No. 5828 - Emergency Response Facilities 1 and 3 - Dennis J. Amoroso Construction Co., Inc./Marinship Construction Services, A Joint Venture

No. 97-0121

Resolution awarding Contract 5828, Emergency Response Facilities 1 and 3, to Dennis J. Amoroso Construction Co., Inc./Marinship Construction Services, A Joint Venture in the amount of \$9,243,000.00.

6. Airport/Caltrans Construction Cooperative Agreement - Inbound/Outbound Ramps Project No. 5905



No. 97-0122

Resolution authorizing execution of Construction Cooperative Agreement between the Airport and Caltrans as it relates to the SFIA Inbound/Outbound Ramps Project, including the Airport reimbursing the State up to \$1,500,000.00 for State oversight of construction within the State right of way, paying all costs for providing Freeway Patrol Service within the Airport vicinity, estimated to be \$300,000.00; and providing a surety bond in the maximum amount of \$20,000,000.00 to protect the State right of way during construction. State will reimburse the Airport up to \$5,720,000.00 for the State's share of seismic retrofit of existing ramps.

This activity is within the scope of the SFIA Master Plan program, which was approved by the Airport Commission on November 3, 1992, as amended by Addendum on April 26, 1996. The program EIR prepared for the Master Plan and the BART/SFO EIR adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Commissioner Strunsky left the room during the discussion of Item No. 7 and was absent for the vote. Item No. 7 was adopted unanimously.

##### 7. Environmental Planning Consultants Short List

No. 97-0123

Resolution approving a short list of consultants for Environmental Planning studies and analyses.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Commissioner Strunsky returned during discussion of Item No. 8. Item Nos. 8 and 9 were adopted unanimously.

##### 8. Renewal of Contract for Operation of CalTrain-SFO Shuttle

No. 97-0124

Resolution to seek, accept and expend funds for the off-Airport portion of the CalTrain-SFO Shuttle for FY 1997/1998, and renew the CalTrain-SFO Shuttle contract with SFO Airporter, Inc. for one additional year at a budget of \$464,000.00.



9. Renewal of Contract for Media Services to Promote Ground Transportation Services

No. 97-0125

Resolution recommending renewal of the contract to DuDell & Associates, Inc., a San Francisco-based WBE firm, for media services promoting the use of ground transportation services to San Francisco International Airport for the fourth of four annual renewal options, effective June 28, 1997 through June 27, 1998, with a time and materials budget at a cost not to exceed \$400,000.00.

\* \* \*

I. SPECIAL ITEM:

Item No. 10 was adopted unanimously.

10. Resolution of Appreciation for Captain Lynne E. Hanel

No. 97-0126

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

\* \* \*

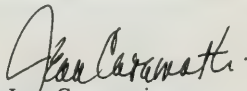
K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

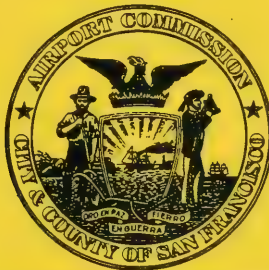
M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:43 AM to go into closed session.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

MAY 20, 1997

9:00 A.M.

DOCUMENTS DEPT

JUN 12 1997

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PUBLIC LIBRARY

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401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**ROLAND A. QUAN**  
Vice President

**MICHAEL S. STRUNSKY**

**LARRY MAZZOLA**

**LINDA S. CRAYTON**

**JOHN L. MARTIN**  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





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May 20, 1997

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I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

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K.	NEW BUSINESS:	13-14
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Airport Commission Meeting  
May 20, 1997

A court reporter's transcript is available.

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 6, 1997 were adopted unanimously.

No. 97-0128

\* \* \*

D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced adoption by a 3 to 1, with Commissioner Crayton casting the dissenting vote, of Resolution No. 97-0127 regarding settlement of the industrial disability retirement application of Airport Police Officer John Vandenberg at the closed session of May 6, 1997.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

\* \* \*

F. POLICY:

Item No. 1 was adopted by a 4 to 1 vote with Commissioner Mazzola casting the dissenting vote.

1. Recommending the Formation of a Private For-Profit Corporation as an International Provider of



Airport Management and Advisory Service

No. 97-0129

Resolution recommending Board of Supervisors approval for formation of a for-profit corporation to provide international airport management and advisory services in order to maximize benefits and effectively compete with other airport operators.

\* \* \*

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 9 were adopted unanimously.

2. Award Contract 5700A - Airport Rail Transit (ART) Guideway East Loop - Tutor-Saliba Corp.

No. 97-0130

Resolution awarding Contract 5700A, Airport Rail Transit (ART) Guideway East Loop to Tutor-Saliba Corp. in the amount of \$66,957,000.00, contingent upon its compliance with MBE/WBE subcontractor participation requirements.

This activity is within the scope of the SFIA Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program's EIR, prepared for the Master Plan, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

3. Award Contract 5600C - South International Parking Garage - Tutor-Saliba Corporation

No. 97-0131

Resolution awarding Contract 5600C, South International Parking Garage, to the lowest reliable, responsive and responsible bidder, Tutor-Saliba Corporation in the amount of \$51,563,600.00, contingent upon its compliance with MBE/WBE subcontractor participation requirements.

This activity is within the scope of the SFIA Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program's EIR, prepared for the Master Plan, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

4. Award Contract 5500I - International Terminal Energy Management Control System - Honeywell Inc.



No. 97-0132

Resolution awarding Contract No. 5500I, International Terminal Energy Management Control System to Honeywell Inc., in the amount of \$5,595,901.00.

This activity is within the scope of the SFIA Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program's EIR, prepared for the Master Plan, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA)

5. Award of Materials Testing and Special Inspection Professional Services Contracts

Resolution awarding Professional Services Contracts to three Materials Testing and Special Inspection (MTSI) consultants for Airport Master Plan projects.

No. 97-0133

Contract 5510.4 - Boarding Area A/Boarding Area G MTSI Services to Inspection Consultants, Inc. in the total amount not to exceed \$ 900,135.50

No. 97-0134

Contract 5521.4 - Boarding Area G Apron/ERF #4 - Public Safety Training Facility MTSI Services to Superior Analytical Laboratories in the total amount not to exceed \$ 417,447.80

No. 97-0135

Contract 5602.4 - Plot 7 Employee Parking Garage MTSI Services to Continental Testing and Inspection in the total amount not to exceed \$ 214,637.50

Total amount of all contracts \$1,532,220.80

6. Modification No. 5 to Contract No. 5500A - International Terminal Site & Piling

No. 97-0136

Resolution approving Modification No. 5, the final modification to Contract 5500A, International Terminal Site & Piling, in the amount of \$1,784,691. for work related to utilities, unanticipated conditions, resolution of force accounts, hazardous material cleanup and schedule recovery program.

7. Modification No. 1 to Contract No. 5500B - International Terminal Foundations



No. 97-0137

Resolution approving Modification No. 1 to Contract 5500B, International Terminal Foundations, in the amount of \$5,241,071 for work related to unanticipated conditions, pile cap redesign to accommodate as-driven piling, hazardous material clean-up, International Terminal Complex site drainage system, utilities relocations, utility tunnel and acceleration to recover lost time.

8. Modification No. 1 to Professional Services Contract 5701A/E - ART Maintenance Facility / Communications Center Expansion - Hertzka and Knowles / Robert B. Wong, Associated Architects

No. 97-0138

Resolution approving Modification No. 1 to Professional Services Agreement for Contract 5701A/E, ART Maintenance Facility/Communications Center Expansion, with Hertzka & Knowles/Robert B. Wong, Associated Architects by increasing the basic professional service fees in the amount of \$270,832. These services are required for scope change to provide full architectural and engineering services related to the seismic retrofit of the Communications Center Expansion project site in order to meet code-required essential facilities standards.

9. Modification No. 6 to Contract with John F. Brown Co. for Airport Feasibility Consulting Services

No. 97-0139

\* \* \*

#### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 10 and 13 through 21 were adopted unanimously. Item Nos. 11 and 12 were put over.

10. Restructuring of Garage Parking Rates

No. 97-0140

Resolution approving proposed restructuring of public auto parking rates.

11. Approval of On Airport Development Agreement and the West of Bayshore Easement with BART

Resolution approving and authorizing execution of 1) the On-Airport Development Agreement governing the Airport's expenditures of up to \$200 million for the BART-SFO





Extension on Airport, and 2) the West of Bayshore Easement Agreement granting to BART two easements: a "wyestub" easement terminating concurrently with the BART Concourse H Lease, and a mainline easement, terminating upon BART's abandonment.

12. Award Contract 3487 - West Field Detention Basin - Dennis J. Amoroso/Trico Construction, A Joint Venture

Resolution awarding Contract 3487, West Field Detention Basin to the lowest responsive, responsible bidder, Dennis J. Amoroso/Trico Construction, A Joint Venture, in the amount of \$8,637,505.60, contingent upon its compliance with MBE/WBE subcontractor participation requirements.

13. Award Contract 3069E - Garage Waterproofing Repair, 4th Floor Resurface - Medelian/Rampart, A Joint Venture

No. 97-0141

Resolution awarding Contract 3069E, Garage Waterproofing Repair, 4th Floor Resurface, to the lowest responsive, responsible bidder, Medelian/Rampart, A Joint Venture, in the amount of \$1,934,594.00.

The meeting was recessed at 10:05 AM and reconvened at 10:20 AM.

14. Authorization for Staff to Issue RFPs and Operating Permits for New Door-to-Door Van Service

No. 97-0142

Resolution authorizing Airport staff to issue Requests for Proposals (RFPs) for additional door-to-door van service to Santa Clara County and the East Bay, and endorsing issuance of one additional operating permit for each of the above markets, pursuant to the RFP process.

15. Approval of Fuel System Lease

No. 97-0143

Resolution approving lease of certain elements of the Airport's aircraft fueling system to SFO Fuel Company, LLC in order to provide uniform operation and maintenance of the system and permit the company to use the proceeds of special facility bonds issued by the Airport to expand and improve the fuel system.

16. Termination of Chevron Lease



No. 97-0144

Resolution approving early termination of Lease No. 76-0136 with Chevron U.S.A., Inc. in order that the Airport may enter into a new lease of the premises demised thereunder with a corporation of airlines operating at SFIA.

17. Authorization to Enter into Bond Purchase Agreement and Bond Trust Agreement for Fuel System Financing

No. 97-0145

Resolution authorizing the Director to enter into a bond purchase agreement and a bond trust agreement for fuel system financing.

18. Authorization of Master Subordinate Resolution and First Supplemental Resolution to Implement Commercial Paper Program

No. 97-0146

No. 97-0147

19. Authorization to Enter into Agreements in Connection with Commercial Paper Program

No. 97-0148

Resolution authorizing the Director to enter into dealer agreements, reimbursement agreement, and issuing and paying agent/trustee agreements in connection with commercial paper program.

20. Approval of Memorandum of Understanding with United States Government for Transfer of Treasure Island Museum Collection to the Airport Commission

No. 97-0149

Resolution authorizing the Director to enter into a Memorandum of Understanding with the U.S. Government for the Treasure Island Museum Collection, contingent upon approval by the Board of Supervisors.

Commissioner Berman left the meeting at the call of Item No. 21 and returned at the call of Item No. 22.

21. Approval of Site Subleases in Connection with United Airlines Special Facility Financing

No. 97-0150

Resolution approving site subleases for Plot 52 and 7X in connection with United Airlines special facility financing.

\* \* \*



I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 22 through 34 were adopted unanimously.

22. Airport/Caltrans Maintenance Cooperative Agreement - Inbound/Outbound Ramps Project No. 5905

No. 97-0151 Resolution authorizing execution of Maintenance Cooperative Agreement between the Airport and Caltrans as it relates to the SFIA Inbound/Outbound Ramps Project.

This activity is within the scope of the SFIA Master Plan Program, which was approved by the Airport Commission on November 3, 1992, as amended by Addendum on April 26, 1996. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA)

23. Modification No. 6 to Professional Legal Services Agreement with Law Firm of Lempres & Wulfsberg

No. 97-0152 Resolution approving Modification No. 6 to professional legal services agreement with law firm of Lempres & Wulfsberg to increase compensation in the amount of \$300,000.00; all other terms and conditions to remain in full force and effect.

24. Modification No. 2 to Professional Legal Services Agreement with Law Firm of Gutierrez & Associates

No. 97-0153 Resolution approving Modification No. 2 to Professional Legal Services Agreement with law firm of Gutierrez & Associates to increase compensation in the amount of \$100,000.00; all other terms and conditions to remain in full force and effect.

25. Continuance of the Audit Program for the Near Term Master Plan

No. 97-0154 Resolution approving continuance of the services of "Ad Hoc" auditors under the Airport Master Plan Audit Program and to provide funding for \$200,000.00.

26. Award of Contract No. 5530A - Realignment of Taxiways A & B, Phase A - AOA Road Ramirez Engineering Corporation



No. 97-0155

Resolution awarding Contract 5530A, Realignment of Taxiways A & B, Phase A - AOA Road, to the lowest responsive, responsible bidder, Ramirez Engineering Corporation in the amount of \$807,180.00.

This activity is within the scope of the SFIA Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program's EIR, prepared for the Master Plan, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

27. Award Contract 3524B - International Terminal Interim Improvements, Phase II- INS Offices - Cuevas & Mannion Construction

No. 97-0156

Resolution awarding Contract No. 3524B, International Terminal Interim Improvements, Phase II - INS Offices, to Cuevas & Mannion Construction in the amount of \$220,000..

28. Award Contract 3647 - North Access Road Improvements at Plot 42 - Marinship Construction Services, Inc./Ghilotti Brothers Construction, Inc., A Joint Venture

No. 97-0157

Resolution awarding Contract 3647, North Access Road Improvements at Plot 42, to the lowest responsive, responsible bidder, Marinship Construction Services, Inc./ Ghilotti Brothers Construction Inc., A Joint Venture, in the amount of \$198,731.00.

29. Modification #5 - Kenyon and Edelstein Contract

No. 97-0158

Resolution approving Modification #5 to the Kenyon and Edelstein Legislative Advocacy Contract to extend the period from July 1, 1997 to June 30, 1998 and increase the fee by \$60,000.00.

30. Authorization for Staff to Seek, Accept and Expend Funds from the Bay Area Air Quality Management District for Compressed Natural Gas Vans

No. 97-0159

Resolution authorizing staff to seek, accept, and expend funds from the Bay Area Air Quality Management District to conduct a demonstration program providing an incentive to door-to-door van operators to replace a portion of their gasoline-powered door- to-door fleets with clean Compressed Natural Gas (CNG) vans.





31. Authorization to Receive Bids - South Terminal Boarding Area "A" Retail Concession Lease A-1

No. 97-0160

32. Authorization to Conduct Pre-Bid Conference - Garage Taxi Staging Area Mobile Catering Leases "A" and "B"

No. 97-0161

33. Reject All Bids and Authorize Rebid - Contract 1875 - International Terminal Lighted Sign

No. 97-0162

34. Approval of First Amendment to Office Lease

No. 97-0163

Resolution approving First Amendment to Office Lease at 1766 El Camino Real, between Certosa, Inc., a California corporation, and Vincent A. Muzzi and the City and County of San Francisco, a municipal corporation, acting by and through its Airport Commission ("City"), regarding improvements to the facilities.

\* \* \*

#### PUBLIC HEARING:

The public hearing was convened at 11:40 AM and adjourned at 11:45 AM, there being no requests from the public to speak. Item No. 35 was adopted unanimously.

35. Amendment to Airport Commission Rules and Regulations (Appendix D) and Approval of Increase in Ground Transportation Rates and Charges

No. 97-0164

Resolution amending Airport Commission Rules and Regulations concerning ground transportation rates and charges and approving increase in ground transportation rates and charges.

\* \* \*

#### NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it



to the Commission Secretary.

\* \* \*

L. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

M. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Air Transport Association of America and Airline Industrial Relations Conference vs. City and County of San Francisco, San Francisco Human Rights Commission, San Francisco Airport Commission.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

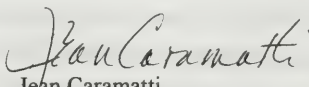
The Commission voted unanimously to go into closed session.

The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:45 AM to go into closed session.

  
Jean Caramatti  
Commission Secretary



SACRAMENTO ADDRESS ☐  
STATE CAPITOL, ROOM 2087  
SACRAMENTO, CA 95814  
(916) 448-0503

DISTRICT OFFICE ☐  
183 EL CAMINO REAL, #208  
SAN FRANCISCO, CA 94080  
(415) 952-8866

# California State Senate



STATE SENATOR  
**QUENTIN L. KOPP**  
EIGHTH SENATORIAL DISTRICT  
REPRESENTING SAN FRANCISCO AND SAN MATEO COUNTIES

May 20, 1997

STANDING COMMITTEES  
TRANSPORTATION - CHAIRMAN  
AGRICULTURE & WATER  
RESOURCES  
BUDGET AND FISCAL REVIEW  
CRIMINAL PROCEDURE  
FINANCE, INVESTMENT &  
INTERNATIONAL TRADE  
HOUSING AND LAND USE  
LOCAL GOVERNMENT  
REVENUE AND TAXATION  
  
SELECT COMMITTEES  
INFORMATION SERVICES IN  
STATE GOVERNMENT -  
CHAIRMAN  
GENETICS & PUBLIC POLICY  
HIGHER EDUCATION  
MARITIME INDUSTRY  
MEDIATION  
NORTHBRIDGE EARTHQUAKE  
REDEVELOPMENT  
STATE PROCUREMENT AND  
EXPENDITURE PRACTICES

SUBCOMMITTEES  
BUDGET SUBCOMMITTEE  
NO. 2 ON RESOURCES  
ENVIRONMENTAL  
PROTECTION, JUDICIARY  
AND TRANSPORTATION -  
CHAIRMAN

JOINT COMMITTEES  
JOINT COMMITTEE ON RULES

Mr. Henry Berman, President  
San Francisco Airport Commission  
P.O. Box 8097  
San Francisco International Airport  
San Francisco, CA 94128

Dear Henry:

Because I'm unable on account of legislative session to attend today, I write to convey my thoughts on one of the issues you discuss today, namely the transfer of the Treasure Island Museum Collection to the Airport Commission. Upon further research, I understand the Airport Commission has not only offered to maintain and manage the Navy's collection, but also will commit to exhibiting a large portion of the collection on Treasure Island, itself. I strongly endorse such action and urge the consummation of an agreement with the U.S. Navy which guarantees these provisions.

San Francisco has long fostered collections of war-time pieces, historic vessels, and memorabilia. As a Korean War veteran and the son of a veteran of World War I, I believe this strong tradition of honoring our veterans should continue. The Treasure Island Museum, which currently houses an exemplary collection of historical items from World War II, the Korean War and the Vietnam War and serves 40,000 patrons annually, has clearly proven its value as both a commemoration and an educational tool. Your support for the continuance of these goals and traditions by maintaining an appropriate collection on the Island demonstrates San Francisco's appreciation for the freedoms - which are so often taken for granted - our veterans' have secured for all Americans.

Thank you for your time and attention.

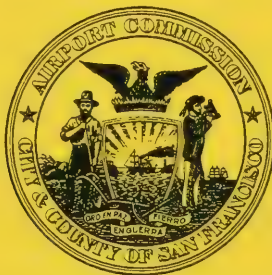
Sincerely yours,

A handwritten signature in cursive script that reads "Quentin".  
QUENTIN L. KOPP

QLK:jk1



# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

JUNE 3, 1997

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

CITY AND COUNTY OF SAN FRANCISCO  
WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





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Airports Commission  
June 3, 1997

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Airport Commission Meeting  
June 3, 1997

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 20, 1997 were adopted unanimously.

No. 97-0165

\* \* \*

D. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

1. Retirement Resolution - Melvin Leong

No. 97-0166

Mr. John Martin, Airport Director, said that Mel Leong has worked at the Airport for 38 years and he is retiring after a very successful career. He began working at the Airport shortly after the existing International Terminal opened. We were beginning work on the South Terminal and the North Terminal had not yet been built.

Mel was responsible for putting in the utility system to serve the terminals, replacing the 1920s system. He established our wastewater treatment plant, which is one of the premier facilities in the San Francisco Bay Area. He has most recently handled the environmental clean-up for the Master Plan and completed it on track in order to allow the Master Plan to move forward. He is now updating the utility system throughout the Airport to carry us into the next century.



Mel has been a great team player and has always had the respect of employees and tenants.

Mr. Martin congratulated Mel on his 38 years of service and wished him well in his retirement.

Mr. Leong thanked the Commission, the Airport family and the seven Directors he has worked under for the support he has received over the years.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky asked if staff has organized a Year 2000 Program (Y2K program) to be sure that our computerized systems all over the Airport are not going to have a problem in dealing with the four digit year. He noted that many companies are establishing Y2K committees to provide quality assurance.

Mr. Martin noted that there are significant impacts for both the Airport and the City as a whole. The Airport's Information Technology Department has been working on this for two years. A City committee headed by the Controller's Office is also working on this.

\* \* \*

#### F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 and 3 were adopted unanimously.

##### 2. Award Contract 5750B - North Cargo Facility/Apron - Lathrop/D.J. Amoroso, A Joint Venture

No. 97-0167

Resolution awarding Contract No. 5750B, North Cargo Facility/Apron, to the lowest reliable, responsive and responsible bidder, Lathrop/D.J. Amoroso (Joint Venture) in the amount of \$38,885,634.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction, explained that the purpose of this contract is to build a 217,000 square foot cargo facility at the North Field. Seven bids were received on May 7, 1997, with Lathrop/D.J. Amoroso submitting the low bid. There were five selected alternates to this bid which amounted to \$1.4-million in the case





of the apparent low bidder.

Three out of the five alternates will be reimbursed by Federal Express, one of the tenants in the building.

The approved budget for this contract was \$40,285,783.00. Lathrop/D.J. Amoroso's total base bid plus the five selected alternates was \$38,885,634.00.

The MBE/WBE participation goal of 15%/3% has been exceeded by the apparent low bidder, Lathrop/D.J. Amoroso by their proposed 22% MBE and 3% WBE participation.

One protest was received from Hensel Phelps, the second low bidder, contesting the low bidders WBE participation credit. The Human Rights Commission and Airport staff determined the protest to be without merit.

3. Bid Call - Contract No. 5515C - Security and Special Systems: Terminal Management/Communications & Telephone Systems Package

No. 97-0168

Resolution approving the scope, budget and schedule for Contract 5515C, Security & Special Systems: Terminal Management/Communications and Telephone Systems, and authorizing the Airport Director to call for bids when ready. The baseline budget for this work is \$52,826,550.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that this contract is the first in a series of four comprising the Security and Special Systems project. This contract will provide the cable and wire infrastructure of the telephone and communications system that the other three components, the building support system, the security system and the computer assisted dispatch system, will tie into for the overall operation of the new facilities.

Mr. Kardos asked Jim Southard, Project Manager for the Security and Special Systems project, to prepare a summary level overview of the project.

Mr. Jim Southard, explained that this package includes the telephone system in the communication center dispatch, the common use terminal equipment and information display systems for the International Terminal Complex. It will be networked into the systems of the existing terminals.



Commissioner Strunsky asked if the basic concept of the system is something that has been done before.

Mr. Southard responded that all of the systems have been tested and proven.

Commissioner Strunsky assumed that this was not old technology and that it would provide flexibility for the future.

Mr. Southard responded that the system can be enhanced for growth.

Mr. Martin added that while we are going with tried and true technology, this fiber optic system will have the ability to keep adding state of the art systems over time.

Commissioner Mazzola asked how many bidders were expected.

Mr. Southard responded that he believed that five to seven bidders will respond.

Commissioner Mazzola asked if these bidders will have done this same work at airports in the past.

Mr. Southard responded that one of the requirements is that bidders must have already done work at equivalent or comparable airports.

Commissioner Strunsky asked if the conduits that carry the fiber optics were included in other contracts.

Mr. Southard responded that they are.

Mr. Kardos said that bids will be received for this package on August 1, 1997, followed by bids for the other three in September, October and December 1997 respectively.

The baseline budget for this contract is \$52,826,550.00. The MBE/WBE participation goal is set at 8% and 2% respectively.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was put over to the July 15 meeting.

4. Approval of the On-Airport Development Agreement and the West of Bayshore Easement with BART

Resolution approving and authorizing the execution of 1) the On Airport Development Agreement governing the Airport's expenditures of up to \$200 million for the BART-SFO Extension on the Airport, and 2) the West of



Bayshore Easement Agreement granting to BART two easements: a "wee-stub" easement terminating concurrently with the BART Concourse H Lease, and a mainline easement, terminating upon BART's abandonment.

Mr. Bruce Balshone asked when the item will be rescheduled.

Mr. Martin responded that it will probably be rescheduled for the first meeting in July.

Item No. 5 was put over to a special meeting on June 10, 1997.

5. Award Contract 3487 - West Field Detention Basin - Dennis J. Amoroso/Trico Construction, A Joint Venture

Resolution awarding Contract 3487, West Field Detention Basin, to the lowest responsive, responsible bidder, Dennis J. Amoroso/Trico Construction, A Joint Venture, in the amount of \$8,637,505.60, contingent upon its compliance with MBE/WBE subcontractor participation requirements.

Ms. Carmen Bruschera said that she will withdraw her request to speak until the item is recalendared.

Mr. Dennis Amoroso said that he will also withdraw his request to speak until the item is recalendared.

Item No. 6 was adopted unanimously.

6. Contract for Legislative Advocacy Services in Washington, D.C.

No. 97-0169

Resolution approving contract with Smith, Dawson & Andrews for legislative advocacy services in Washington, D.C. in an amount not-to-exceed \$54,000.

Mr. Peter Nardoza, Deputy Director, Governmental Affairs explained that the number of issues that the Airport faces on the Federal level has increased dramatically in the past few years. The ability of the City's lobbyist to monitor the Airport's issues is very limited. The Mayor is in agreement with this contract.

Item No. 7 was removed from the calendar.

7. Authorization to Issue an RFP for Scheduled Bus Service Between the Airport and Downtown



Resolution authorizing the Airport Director to issue a Request for Proposals for scheduled bus service between the Airport and major markets in downtown San Francisco.

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos . 8 through 12 were adopted unanimously.

8.. Retirement Resolution - Richard Lack

No. 97-0170

9. Modification No. 2 to Professional Services Agreement - Medical Consultant Services Dr. Lawrence A. Smookler

No. 97-0171

Resolution approving Modification No. 2 to Professional Services Agreement with Dr. Lawrence A. Smookler to provide Medical Consultant Services in connection with the Airport Medical Clinic Program by increasing the amount by \$112,320.00 and extending the term to June 30, 1998.

10. Modification No. 6 to Professional Legal Services Agreement with Law Firm of Richard H. Jordan

No. 97-0172

Resolution approving Modification No. 6 to professional legal services agreement between the law firm of Richard H. Jordan and Airport Commission to extend term of contract through FY 97/98, and increase compensation by the amount of \$40,000.00; all other terms and conditions of contract to remain in full force and effect.

11. Authorization to Receive Bids - Automated Teller Machine (ATM) Leases

No. 97-0173

Resolution approving the Lease Specifications and authorizing staff to receive bids for Automated Teller Machine (ATM) Leases.

Commissioner Quan noted that there was no foreign language requirement.





Mr. Ballard responded that there was some debate with the industry and among staff. There was previously a requirement for several languages. It was found that different systems have identified their market and require different languages. Staff felt that since we have established a competitive environment in this process that we would let the market itself dictate what language is required by each provider.

12. Rental Credit to the DFS Group, L.P. for Work Performed on Behalf of the Airport

No. 97-0173

Resolution authorizing a rental credit to the DFS Group, L.P. for courtyard window cleaning in the Central Terminal on behalf of the Airport at a not-to-exceed cost of \$47,000.00

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. Ray Sloan, representing several shuttle services, said that it was four years ago that the companies were placed into zones. At that time the Commission asked the companies to come up with a plan that would provide the most equitable way of proceeding. The companies came up with a plan, working with transportation consultant Jerry Goldberg. He said that the time has come to put in place an equitable program that does not give unfair advantage to any company, but instead treats all companies the same.

Mr. Martin added that the Airport has hired a consultant, Tony Bruzzone, to evaluate our ground transportation operation, especially with respect to door-to-door service and the scheduled bus service. He said that he will make sure that this report is transmitted to Mr. Bruzzone.

Mr. Sloan thought that it would be appropriate to have a representative of these operators present at the table.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:



Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Air Transport Association of America and Airline Industrial Relations Conference vs. City and County of San Francisco, San Francisco Human Rights Commission, Airport Commission; and, MCM Construction, Inc. and Morrison Knudsen Corp., et al vs. City and County of San Francisco and Airport Commission.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

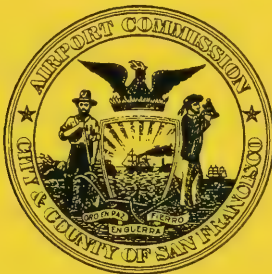
L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM to go into closed session.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

JUNE 10, 1997  
SPECIAL MEETING  
9:00 A.M.

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401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

CITY AND COUNTY OF SAN FRANCISCO  
WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



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C.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Consideration and Possible Action Regarding Contract No. 3487 - West Field Detention Basin	97-0175	2
D.		CLOSED SESSION:		
		Potential Litigation		2





Airport Commission Special Meeting  
June 10, 1997

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

\* \* \*

C. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was adopted unanimously.

1. Consideration and Possible Action Regarding Contract No. 3487 - West Field Detention Basin

No. 97-0175

\* \* \*

D. CLOSED SESSION:

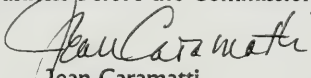
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) o confer with legal counsel regarding potential litigation.

The Airport Commission did not go into closed session.

\* \* \*

E. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM.

  
Jean Caramatti  
Commission Secretary



# City and County of San Francisco



Willie Lewis Brown, Jr.  
Mayor

# Human Rights Commission

Contract Compliance  
Dispute Resolution/Fair Housing  
Minority/Women/Local Business Enterprises  
Lesbian Gay Bisexual Transgender & HIV Discrimination

Marivic S. Bamba  
Executive Director

June 5, 1997

John Martin  
San Francisco International Airport  
International Terminal, 5th Floor  
P.O. Box 8097  
San Francisco, CA 94128

Dear John Martin,

This letter and the attached summary of findings supersedes all other previous letters/documentation prepared by my staff and constitutes my final determination on the Westfield Detention Basin Contract # 3487. As noted in the attached summary, the Human Rights Commission has determined that both Dennis J. Amoroso/Trico Construction and A. Ruiz Construction have met the HRC requirements and are eligible bidders for this contract. Moreover, given the base bid amounts, and after application of the HRC bid preferences, Dennis J. Amoroso/Trico is the lowest responsive bidder.

Sincerely,

A handwritten signature in black ink, appearing to read "Marivic S. Bamba".

Marivic S. Bamba  
Executive Director  
Human Rights Commission



5/252-2500



25 Van Ness Avenue, Ste. 800, San Francisco, CA 94102-6033

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FAX (415)431-5764

TDD (415)252-2550





***Summary of Findings  
Westfield Detention Basin  
Airport Contract # 3487***

The Human Rights Commission has completed its review of the bids submitted for the West Field Detention Basin project. A breakdown of HRC findings of review are as follows:

<u>Name of Firm</u>	<u>Preference Claimed</u>	<u>Preference Eligibility</u>	<u>Bid Amount</u>
Amoroso/Trico	10%	7 1/2 % (Based on HRC review of JV allocation of bid task)	\$7,989,997.00
SJA/Envirocure	10%	7 1/2 % (Based on HRC review of JV allocation of bid task)	\$8,001,713.00
A. Ruiz Construction	10%	10 %	\$8,551,206.00

**HRC Findings of Bidders MBE/WBE Subcontracting Participation**

The MBE/WBE subcontracting participation goals for this project are 18% for MBE and 7% for WBE.

**Amoroso/Trico**

Amoroso/Trico, the apparent low bidder has made a commitment to the HRC to achieve 29.2 % or \$2,370,000 MBE participation by using HRC certified MBE firms. However, Amoroso/Trico failed to meet the subcontractor participation WBE goal of 7%.

During the initial review of Amoroso/Trico's Good Faith Effort Documentation, HRC required clarification of the Amoroso/Trico good faith efforts to meet the WBE subcontracting participation goals.



As a standard practice, the HRC afforded the Amoroso/Trico an opportunity to provide clarification with regard to HRC's concerns. As such, Amoroso/Trico, was invited to participate in a Good Faith Efforts conference, on April 21, 1997 at the San Francisco Airport, HRC office. A follow-up telephone inquiry with the Amoroso/Trico was conducted on June 4, and 5, 1997.

HRC staff raised questions about the Amoroso/Trico solicitation of end dump trucking services. Dennis Amoroso explained that its subcontractor, Transamerican, an MBE listed on the HRC Form 2A (00661), was responsible for securing trucking services under its contract.

Transamerican listed Krystal Trucking as a second tier subcontractor to provide end dump trucking services for 1.6% or \$140,000 WBE subcontracting participation on HRC Form 6, Document 00665. Although, Krystal Trucking was not listed in HRC Form 2A Document 00661 and Document 00431, The Amoroso/Trico made a good faith attempt to utilize Krystal Trucking toward the WBE goal.

In addition, as of today, Airport engineering staff has verified that there will be \$900,000 worth of end dump trucking services on this project. Dennis Amoroso has informed HRC staff that Krystal Trucking will be used for 100% of the work. Further, City Lumber, a WBE, was also not listed on Form 00430 but was listed on Form 00661. Because both WBE firms were not listed as appropriate on Form 00430, HRC can not credit their participation toward the WBE goal. However, upon review of Amoroso/Trico's documentation of its good faith efforts to meet the WBE goal, along with its attempts to utilize Krystal Trucking and City Lumber, HRC has determined that Amoroso/Trico is responsive to the good faith requirements.

#### **SJA/Envirocure**

SJA/Envirocure, Joint Venture, failed to meet the MBE goal of 18% and the WBE goal of 7% for this project. Moreover, they failed to submit compelling good faith effort documentation setting forth why the M/WBE subcontracting participation goals could not be met for this project. Therefore, HRC has deemed the J.V. of SJA/Envirocure a non-responsive bidder and is ineligible to receive award for this contract.

#### **A. Ruiz Construction**

A. Ruiz Construction, a HRC certified MBE, is a prime bidder for this project. A. Ruiz Construction has demonstrated a commitment to the HRC to exceed the goal of 19.8%, or \$1,717,711.20, for MBE subcontracting participation and exceeded the WBE goal by 7% for WBE, or \$622,989.00, subcontractor participation. Therefore, the HRC deems A. Ruiz Construction to be a responsive bidder and is eligible for award of this contract.





**Final Determination:**

Based upon a rigorous review of all three bidders and their concomitant documentation, HRC has determined that both Dennis J. Amoroso, J.V. and A. Ruiz Construction, have met the HRC requirements and are eligible bidders for this contract. Moreover, given the base bid amounts, and upon application of the HRC bid preference, Dennis J. Amoroso/Trico is the lowest responsive bidder.

Prepared by:

Zula Jones  
Senior Contract Compliance Officer

James Fields  
Contract Compliance Officer I



# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

JUNE 24, 1997  
SPECIAL MEETING  
9:00 A.M.



ROOM 428, WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO  
WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



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June 24, 1997

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E.		DIRECTOR'S REPORTS:		
	2.	Master Plan Construction Traffic Operations Update		5-6
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	3.	Award Contract 5851B - Parking Lot D Addition, Phase B - Interstate/MH, A Joint Venture	97-0178	7-10
	4.	Award Contract 5901A - North Field Perimeter Road Phase I, JMB Construction/Granite Rock Co., A Joint Venture	97-0179	10
	5.	Modification No. 3 - Johnson & Higgins/Arisco, Joint Venture Insurance Brokerage Contract	97-0180	10-11
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	6.	Award Contract 3606C - Abatement and Demolition of Various Facilities & Utility Construction Work - Aman Environmental Construction, Inc.	97-0181	11-12



7.	Adoption of FY 1997/98 Rates & Charges	97-0182	12-13
8.	Modification to Parking Rates for Short-Term Parking Garage	97-0183	13-14
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10.	Authorization to Enter into an Agreement with the Department of Transportation for Seismic Safety Retrofit Program	97-0185	15
11.	Approve Month-to-Month Holdover - Tele-Trip Company, Inc., Foreign Exchange Lease	97-0186	15-16

I. CONSENT CALENDAR OF ROUTINE  
ADMINISTRATIVE MATTERS:

12.	Modification No. 1 - Professional Service Agreement - Contract 5709.1 - Airport Rail Transit (ART) West Field and Lot D Stations - Murokami Associates	97-0187	16
13.	Modification No. 2 - Professional Services Agreement for Contract 5703 - Airport Rail Transit (ART) System Lea + Elliott	97-0188	16
14.	Modification No. 1 to Contract No. 5600AR - Temporary Detour Roads R-16 & R-18	97-0189	16
15.	Modification No. 1 - Airport Rail Transit (ART) Domestic Stations Professional Services Agreement - Contract 5706 - Kwan Henmi Architecture/Planning, Inc.	97-0190	17
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18.	Modification No. 8 to Bond Counsel Services - Orrick, Herrington & Sutcliffe and Law Offices of Pamela S. Jue	97-0194	17-18
19.	Award Contract 3513 - As-needed Electrical Repairs - Barri Electric Company, Inc.		18
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J. PUBLIC HEARING:

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K. NEW BUSINESS: 19

L. CORRESPONDENCE: 19

M. CLOSED SESSION:

Pending Litigation: ABB Daimler Benz Transportation  
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N. ADJOURNMENT: 20



Airport Commission Special Meeting  
June 24, 1997

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

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B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

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C. ADOPTION OF MINUTES:

No. 97-0176	Regular meeting of June 3, 1997 and the Special Meeting of June 10, 1997.
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D. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

1. Award of 1996 Custodial Services Employee of the Year Award

No. 97-0177	Resolution awarding the 1996 Russell J. Mayweathers Award to Mr. Willie McClain, Airport Custodian in the Facilities Operations and Maintenance Division.
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Mr. John Martin, Airport Director explained that the Russel J. Mayweathers Award was created last year to honor the custodial employee who best exemplies dedication, service and team work. The custodial supervisors nominated Mr. Willie McClain as the first awardee.

Mr. McClain is always dependable and provides a reliable service. He works on the nightshift which involves a lot of the heavy work. Mr. McClain is always willing to learn new techniques and to undertake work that may fall outside normal duties. He is a real team player.

Mr. Martin congratulated and thanked Mr. McClain for his 22 years of dedicated service to the Airport.



Commissioner Berman congratulated Mr. McClain and asked him to extend those congratulations to his family well.

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E. DIRECTOR'S REPORTS:

2. Master Plan Construction Traffic Operations Update

Six month Master Plan Construction update regarding major construction work and utility relocations on both inbound and outbound roadways to and from the freeway and on Airport frontage roads.

Mr. Martin explained that the Airport faces serious constraints as we build the new International Terminal and related facilities and still bring in a record 40 million passengers for the fiscal year ending June 30, 1997. The roadways and central parking garage are very constrained. We will experience lane closures in the coming year.

Mr. Fein will provide an update every six months to the Commission.

Mr. Sheldon Fein, Assistant Deputy Director, Landside Operations explained that over the next six months steel supports and bracings will be erected across the road. During those times traffic will either be stopped or lane closures will occur in order to move large trusses across the road.

Traffic plans have been put into the specifications and staff will work with the contractors to come up with additional ideas in order to do this construction work and still maintain traffic lanes.

Much of this work will be done between 11:00 PM and 5:00 AM in order to reduce the number of traffic lanes to a minimum.

We also need connections of underground utilities between the garage and the courtyard. In order to accomplish this there will tunneling and piles moved across the lower level road. Lane closures and mergers will occur at this point.

Mr. Fein said there will be a lot of work on the inbound roads and ramps requiring lane closures and traffic diversions between midnight and 5:00 AM. In order to erect these structures there will be large amounts of pile driving. The center island will be eliminated between the inbound and outbound roads. Only taxis and autos will be able to manage the u-turn. Buses and stretch limousines are too large to handle the turn.

The transportation industry has developed new routes to accommodate these changes. Scheduled operators may have to add buses because of the additional circulation time.

We will lose 600 spaces on the fourth level of the garage in order to repave that level. We will



have to close off approximately 900 spaces in the garage at a time in order to construct the Light Rail System. This project will take approximately 18 months.

The garage structure will not be able to handle the weight of the equipment necessary to drive the piles for the Light Rail System, the garage structure will not be able to handle the weight of that equipment. The work will have to be done from the lower level roadway. While the work is in progress, the roadway, from the center island to the garage will be closed off. That work will be done between 11:00 PM and 9:00 AM when the traffic on the lower level is very light. When traffic is heavy, we will be able to open one traffic lane on the garage side and the center island area.

The R-2 and R-3 roads have been widened to four lanes.

Mr. Martin said that in order to make this work we need to continue to discourage vehicles from parking at the curb and waiting for passengers. We are getting the message out to park in the garage. We are also continuing our promotion of our ground transportation options. Another radio campaign will begin this summer.

We also need to reduce the number of overnight parkers in the garage. Only 7% of overnight parkers use the garage but at peak hours occupy 60% of the spaces. We are adding significant capacity in the long term lot and we are trying to divert a lot of the overnight parkers to that lot. The Commission will consider a construction contract on today's calendar that will create 1,400 additional spaces. We will also need to use pricing to discourage passengers from parking overnight in the garage.

We are also finding a need to enforce stricter headway restrictions on the rental car companies and hotel vans that are providing pick up and drop off for passengers at the terminals.

Commissioner Strunsky hoped that the public will be properly notified.

Mr. Martin said that staff recognizes the problem and is working to make sure that the word reaches the press. We are also increasing the frequency of our radio campaign.

Another complicating factor is the tremendous growth in air traffic, especially in the peak hours. Master Plan projections are 4% annual growth; we were expecting 8% growth this summer; we are experiencing 15% growth in the peak hours. The peak hours for United represents a very serious and unexpected growth pattern.

Commissioner Crayton was concerned that there be proper signage, especially when detours are created.

Mr. Martin understood Commissioner Crayton's concerns and said that the process needs improvement.

Commissioner Strunsky suggested that in some instances there be two of the same sign positioned differently in order to avoid visibility problems during certain times of the day.





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F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

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G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 3 was put over to the end of the calendar. Item Nos. 4 and 5 were adopted unanimously.

3. Award Contract 5851B - Parking Lot 'D' Addition, Phase B - Interstate/MH, A Joint Venture

Resolution awarding Contract 5851B, Parking Lot 'D' Addition, Phase B, to the lowest responsive, responsible bidder, Interstate/MH, A Joint Venture, in the amount of \$3,846,920.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan, as supplemented by the West Field Projects Negative Declaration, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that this contract represents the second phase of the Parking Lot D addition and will provide approximately 1,400 spaces.

Nine bids were received on May 28, 1997. The low bid was Interstate/MH, A Joint Venture. The M/WBE subcontracting goals were 18% and 4% respectively.

One protest was submitted by JMB Construction/Granite Rock, A Joint Venture, second low bidder, alleging that Interstate had an unbalanced bid. Staff recognizes that there were differences if you compare all of the bids. However, in reviewing the total contract cost, it was determined that the low bidder did submit a competitive bid. Staff also looked at the amounts of the units for this contract and determined that based on the previous phase we will use all of the units. Therefore we see no financial advantage to the contractor.

The second point of the protest was that the joint venture partner, MH Construction, and a sub, San Luis Construction, were not qualified to do the work. In fact, both these contractors have performed successfully on other City contracts and Airport contracts.

The third point was that the joint venture did not comply with HRC requirements. HRC



reviewed the complaint and has lowered the preference points from 10% to 7.5%. Even with 7.5%, Interstate/MH is still the low bidder.

HRC also determined that the joint venture met the MBE goals with a participation of 18.5% and they met the WBE goals at 4.1%.

The final allegation regarded material omissions. Staff determined that this omission was not significant enough to disqualify the low bidder.

Both the HRC and Airport staff have determined that the protest is without merit.

Mr. Richard McDonald, attorney for JMB/Granite Rock. He was accompanied by Margaret Berg, President of JMB Construction, Terrence (last name not understood) with Pavex Construction and Brian Walsh an engineer with JMB/Granite Rock.

A letter was circulated last evening to the Commission, Counsel and Secretary. This process is proceeding at a pace that has his clients concerned and they request an opportunity to have further discussion with the Commission and staff to discuss the points raised. He received Mr. Wong's letter last evening at 5:00 PM.

He said that there is an economic issue, a legal issue and a policy issue. As a result of the manipulation of the bid, the Commission will not end up paying the lowest price. The credits that should be deleted in order to provide proper comparison would result in JMB/Granite Rock being the apparent low bidder.

The Commission retains the right to reject all bids and waive irregularities for technicalities. He said that a legal case, the Valley Press Landscape Company in 1996, resulted in a ruling that says that this Commission does not have the authority to waive defects that would result in an unfair advantage being conferred on one of the bidders. Their bid was incomplete, the line items were incomplete, the bid is so unbalanced as to be unrealistic. If the Commission overlooked the irregularities it would be conferring an unfair advantage on the low bidder.

Lastly, he asked the Commission to consider the policy implications. Every other bidder, except the apparent low bidder, understood the specifications to mean that unbalanced bids would not be accepted. The specifications state that "...the Commission reserves the right to reject unbalanced bids." He understood that statement to mean that the Commission would reject unbalanced bids. If the Commission awards this contract today it will be making a fundamental policy change that unbalanced bids are encouraged and will be accepted. That would make it difficult for the Commission to maintain control over the bid process and the selection process. The numbers that will be received will be estimates, numbers designed to please the eye but not necessarily realistic to get the job done. The Commission must draw a line. He asked that the policy change be announced and confirmed so that everyone plays by the same rules. Every other bidder understood the specifications to read one way. This bidder understood the specifications to read unbalanced bidding is acceptable. The Commission is now affirming that policy change.

Commissioner Strunsky asked if this was a lump sum bid.



Mr. McDonald responded that it is.

Commissioner Strunsky asked if the unbalanced portion relates to a payment schedule.

Mr. McDonald responded that it does not. It relates specifically to two items in our protest. Item A, the contractor supplies the sewer pipe. Item B, the Airport supplies the pipe. The pipe will only be installed once. Each item is supposed to be bid complete. The apparent low bidder knows that the Airport is only going to select one of those two options and therefore they only bid one. The Airport's options are reduced.

This bid is not responsive. They did not bid A or B complete. This is an artificially reduced total.

Commissioner Strunsky said that the Airport will end up paying the reduced total.

Mr. McDonald responded that it will not. If the Airport takes option B, a credit will be given for option A.

Commissioner Berman asked Mr. Wong to address the allegation of manipulation of figures.

Mr. Wong responded that we have the option of selecting the price that is most beneficial to the Airport.

Mr. Martin said that Airport counsel has reviewed the letter submitted by Granite Rock/JMB Construction and has advised that we are on firm footing moving forward.

Ms. Mara Rosales, Airport General Counsel added that our outside counsel, Deborah Bilotti, looked at the bid protest and concluded that the low bidder is responsive and responsible.

Commissioner Berman asked Mr. Martin if this is the policy used in the past.

Mr. Martin responded that the Commission will not be establishing a new policy or practice.

Commissioner Strunsky said that we end up with a lump sum price and that price has been determined. We will not pay more.

Mr. Wong added that the lump sum price bids are constituted by unit prices.

Commissioner Strunsky asked if they are part of the Airport's Surety Bond Program.

Mr. Wong responded that he did not believe so.

Commissioner Mazzola asked if the price wouldn't automatically be lower if the Airport supplied the pipe. If they don't bid every line item and everything is lumped into one sum, what is the point of having an option?

Commissioner Quan said that it appears, according to the attorney, that JMB Construction put



in a bid for A or B and that they overstated their bid. Interstate submitted a bid for one of the items. The attorney alleges that they have overstated their bid. In the past we have had a base bid and alternates.

Commissioner Crayton had the same understanding.

Mr. Martin recommended putting the item over to the end of the calendar.

4. Award Contract 5901A - North Field Perimeter Road, Phase 1- JMB Construction/Granite Rock Company, A Joint Venture

No. 97-0179	Resolution awarding Contract 5901A, North Field Perimeter Road, Phase I, to JMB Construction/Granite Rock Company, A Joint Venture, in the amount of \$638,360.00.
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Mr. Wong said that this contract is the first phase in extending the North Access Road along Seaplane Harbor. The purpose is to provide better access to Plots 41 and 42, the site of the new FBO project and the new hardstand. This will also alleviate traffic congestion.

Four bids were received on April 28, 1997. JMB Construction/Granite Rock Construction, A Joint Venture submitted the low bid.

The MBE/WBE subcontracting goals were 16% and 4% respectively. The HRC has determined that the joint venture met the goals.

5. Modification No. 3 to Johnson & Higgins/Arisco, a Joint Venture Insurance Brokerage Contract

No. 97-0180	Resolution approving Modification No. 3 of insurance broker contract to permit the name change and ownership of Johnson & Higgins/Arisco and to extend the contract by two years requiring a fee increase in the amount of \$3,577,670.
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Mr. Spencer Ballard, Deputy Director for Business and Finance said that the Owner Controlled Insurance Program (workers compensation, builders risk and general liability programs) eases the process for small/minority/women businesses to participate in the construction program.

We are currently carrying \$500 million in liability insurance and \$257 million in builders risk. We paid \$14 million in premiums and we estimate \$41 million in premiums will be paid through the life of the program.

The Surety Bonding Program has assisted 57 contractors in fulfilling their bid requirements. Fourteen resulted in successful bids. The Surety Bonding Program is recognized City-wide.





Mr. Ballard explained that the program was envisioned in 1993, prior to final layout of the contracts and subcontractor format. As a result, a number of the contractors involved has escalated substantially from what was envisioned and originally proposed in 1993. In addition, the bonding program has grown substantially beyond its original expectations.

The program was scheduled to end in 1999. We need to extend the program through 2001. It needs to be in place for on-going monitoring of the workers comp program, on-site safety and insurance for the additional years.

The proposed \$3.5 million will be divided between the remaining two years of the existing base term of the contract and the two additional years.

In addition to the time extension and the price increase there are changes to the minority participant of the firm as well as a purchase of the prime company by another firm.

Commissioner Berman noted that this has been a very successful program but hoped that it will continue to be monitored.

Commissioner Quan noted that when this contract was originally issued ARISCO was an MBE firm. Since that time it has been bought out and is a woman owned firm. He asked if there is any minority participation.

Mr. Ballard responded that the Merriwether group is a minority/woman owned business, and continues in the same role at a 57% combined M/WBE goal.

Commissioner Quan asked Mr. Ballard if he knew the amount of the minority participation.

Mr. Ballard responded that he did not know the breakdown but would report back to the Commission.

Mr. Martin noted that the new owner of ARISCO is an M/WBE.

Commissioner Crayton asked about the success rate of the M/WBEs. She has heard that it is very successful and believes that this information should be made public.

Mr. Ballard responded that out of 57 firms, 14 firms have made successful bids.

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#### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 6 through 11 were adopted unanimously.

6. Award Contract 3606C - Abatement and Demolition of Various Facilities and Utility Construction Work - Aman Environmental Construction, Inc.



No. 97-0181

Resolution awarding Contract 3606C, Abatement and Demolition of Various Facilities and Utility Construction Work, to Aman Environmental Construction, Inc., in the amount of \$5,328,902.

Mr. Wong explained that this contract will provide demolition service, abatement of contaminated materials and utility relocations at the Chevron Hangar, the Federal Express Hangar, the Hilton Hotel, Dobb's Flight Kitchen, Pan Am Hangar, Emergency Response Facility (ERF) Building No. 1, and Hertz, Avis, National, Budget and Dollar Interim Rental Car Facilities.

Five bids were received on June 6, 1997. Aman Environmental Construction submitted the low bid.

The MBE/WBE subcontracting goals for this contract are 17% MBE and 2% WBE.

Protests were submitted by the second and third bidders on this project. All of the issues pertained to MBE/WBE certification and were found to be without merit. HRC reevaluated the MBE/WBE participation and gave revised credits of 19.2% for MBE participation and 6.2% for WBE participation.

Commissioner Strunsky asked what the baseline budget was for this work.

Mr. Wong said that he did not have that information before him but it was well below the baseline.

Mr. Martin said that a follow-up report will be provided.

#### 7. Adoption of Fiscal Year 1997/98 Rates & Charges

No. 97-0182

Resolution (1) establishing aircraft landing fee rates, minimum landing fee rates, terminal space rental rates, cargo space rental rates, general aviation aircraft outdoor storage rates, in-transit lounge rental rates, jet bridge rental rates, sewage/wastewater treatment rates, water rates, and (2) requesting supplemental appropriation.

Mr. Ballard explained that these rates and charges will keep us on track to achieve our target in the year 1999/2000 of \$125 million in terminal rents as well as the commitment we made last year to hold that target for the year 2000/2001.

The \$1.30 figure will keep SFO as the third lowest among the top airports in the U.S. He said that the chart attached to the memorandum inadvertently excludes Las Vegas International which fits into the top ten and is lower than SFO.

Commissioner Strunsky noted that the memorandum stated that the "... jetbridge fee at the



Airport-controlled gates will remain at \$74 per operation (aircraft arrival and departure) and asked if an operation is an arrival and departure or are they two separate operations?.

Mr. Ballard responded that in terms of landings and takeoffs it is two operations but in terms of jetbridge use it is one operation.

8. Modification to Parking Rates for Short-Term Parking Garage

No. 97-0183

Resolution authorizing Airport Director to set long-term (2nd day and thereafter) parking rates for the Short-Term Parking Garage to assure access to the garage for short-term parkers.

Mr. Martin explained that we are experiencing severe congestion in the garage and had a garage closure last week when it reached capacity. We need to insure that our meeters and greeters can find a place to park. In order to insure parking for those persons our overnight parking rates need to be raised even higher and our promotion of ground transportation alternatives needs to be enhanced.

The Commission earlier approved a rate increase to \$28 a night for each night beyond the first day of parking. He is requesting Commission approval to go as high as \$40.00 so that on short notice he can raise the rates further. He is only planning at this time to go to \$30.00 a day.

Commissioner Berman asked if these rates will be competitive with neighboring airports.

Mr. Martin responded that we will be on the high side compared to LA, Chicago and other major U.S. airports. Boston is higher. The rates in the long term lot will be kept at \$11.00 per day. That rate has not been increased in over a year. It is a competitive rate.

Commissioner Berman asked if this was a short term remedy.

Mr. Martin responded that once the additional parking facilities are in place in front of the International Terminal we should not be in a position of charging the higher rate. Tom Kardos is looking to speed up construction of a couple of our new parking structures.

Commissioner Strunsky said that it appeared that instead of 40 million passenger this year we will have 45 million passengers. He would like the Commission to consider giving Mr. Martin the authorization to go to \$50.00 rather than \$40.00. He is very concerned that this increase will result in blocked roads to the terminals during the construction program. We have enough overnight parkers in the garage so that meeters/greeters will have no place to go.

Mr. Martin said that he was confident that at \$40.00 we will be able to manage the situation through this summer. We will need to do another reassessment this fall and winter to see where we think we will be during the summer of 1998.

We are fundamentally trying to change the way that passengers use the parking facilities.



Business travelers particularly and some vacation travelers are used to using the garage for two or three nights. We are trying to get the message that they need to use the long term lot, off Airport lots, or some other form of ground transportation. The garage must be kept available for short term parkers.

Commissioner Quan asked that there be adequate signage on the rates.

The meeting recessed at 9:55 and reconvened at 10:05 AM.

9. Authorization to Issue an RFP for Scheduled Bus Service Between the Airport and Downtown San Francisco

No. 97-0184

Resolution authorizing the Director to issue a Request for Proposal for scheduled bus service between the Airport and major markets in downtown San Francisco.

Mr. Fein explained that SFO has 15 major scheduled bus operations. We have the largest scheduled bus operations of any airport in the country. The service to downtown San Francisco, however, has been decreasing over the past several years.

He is recommending a request for proposals that will challenge the proposer to develop a detailed operation plan, a market plan, to look at the levels of service, locations in the City, fares, fleet size, etc. to see what we can do to stimulate the thinking process and build up the loads for the market.

Commissioner Strunsky noted that a lot of our traffic is picked up and dropped off by a meeter/greeter. He asked if a program could be developed to have a downtown location and perhaps a location south of the Airport where passengers could be dropped off and picked up by a bus and taken to the Airport.

Mr. Fein responded that staff has looked at parking Lot D as such a drop off point.

Commissioner Strunsky asked if the bus would get to the terminal faster.

Mr. Fein responded that the bus will be in the same traffic as vehicles.

Mr. Martin added that the person dropping off the passenger would not get stuck in the traffic. Mr. Fein agreed that it is an option.

Commissioner Strunsky asked if there was anything in the RFP for a downtown facility.

Mr. Fein responded that at one point in time there was a major downtown terminal but it is now a matter of financial viability. The primary downtown business is hotels.

Commissioner Quan said that most people who get on a bus want direct service. He noticed that an M/WBE participation was not applicable and asked for clarification.





Mr. Fein responded that there are a limited number of major bus operators and they all have a large number of minority bus drivers and mechanics working with them but we don't know if there is a sufficient grouping of any major minority operators to put that requirement in the bid.

Mr. Martin said that it was not the type of operation that was conducive for a subcontractor to operate buses.

Commissioner Quan asked if a minority operator would get points if a bid was submitted.

Ms. Rosales responded that if this is not a concession or lease it would come under the bid preference system of the MBE ordinance. If an MBE submits a proposal, the MBE ordinance would apply.

Commissioner Quan noted that this is not a monetary bid.

Ms. Rosales responded that by bid preference she was referring to a bid or rating preference as addressed in the ordinance.

Mr. Fein said that he will discuss this with the attorneys.

10. Authorization to Enter into an Agreement with the Department of Transportation for Seismic Safety Retrofit Program

No. 97-0185

Resolution authorizing the Director to enter into an agreement with the Department of Transportation, State of California, for the State's Seismic Safety Retrofit Program, Highway Bridge Replacement & Rehabilitation (HBRR) Program and Bridge Inspection.

Mr. Wong explained that this resolution authorizes the Director to enter into an agreement with the Department of Transportation, State of California for three programs, the Seismic Safety Retrofit Program, the Highway Bridge Replacement & Rehabilitation Program and the Bridge Inspection Program. Compliance with these programs will qualify the Airport for State funding.

11. Approve Month-to-Month Holdover - Tele-Trip Company, Inc., Foreign Exchange Lease

No. 97-0186

Resolution authorizing month-to-month holdover of the Tele-Trip Company, Inc., Foreign Currency Exchange Lease through completion of the new International Terminal.

Commissioner Strunsky noted that Tele-Trip currently pays rent of \$876,386.04, adjusted annually in accordance with the Consumer Price Index. He asked if that is a flat rent that has nothing to do with their volume.



Mr. Ballard responded that it is a minimum guarantee rent.

Commissioner Strunsky noted that the Airport's international traffic will increase by 10% to 15% and assumed that their business relates to international traffic on a one to one basis, yet their rent will only increase according to the CPI.

Mr. Ballard said that it will. There was some discussion as to whether this should go out for this short period of time. After analysis was done it was determined that it was not a good investment in time, either for the Airport or for the prospective bidders.

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#### I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 12 through 18 and 20 through 22 were adopted unanimously. Item No. 19 was removed from the calendar.

12. Modification No.1 to Professional Service Agreement for Contract 5709.1 - Airport Rail Transit West Field and Lot D Stations - Murokami Associates

No. 97-0187

Resolution approving an increase to basic professional services fees for Contract 5709.1, Airport Rail Transit West Field and Lot D Stations, with Murokami Associates in the amount of \$173,800.00 to provide full architectural and engineering services for additional scope of work items.

13. Modification No. 2 to Professional Services Agreement for Contract 5703 Airport Rail Transit (ART) Operating System - Lea + Elliott

No. 97-0188

Resolution approving an increase to professional service fees for Contract 5703, Airport Rail Transit (ART) Operating System, in the amount of \$466,762. These services are required due to the re-bid of the ART Operating System contract and will provide for preparation of the Project Manual and administration of the bid review process.

14. Modification No. 1 to Contract No. 5600AR - Temporary Detour Roads R-16 & R-18

No. 97-0189

Resolution approving Modification No. 1 to Contract 5600AR, Temporary Detour Roads R-16 & R-18, in the amount of \$45,019.00; accepting the work as complete and authorizing final payment and closeout within budget.



15. Modification No. 1 to the Airport Rail Transit Domestic Terminal Stations - Professional Services Agreement, Contract 5706, with Kwan Henmi Architecture/ Planning, Inc.

No. 97-0189                                      Resolution approving an increase to basic professional services fees in the amount of \$194,400. to correct the contract amount approved by the Commission.

16. Bid Call - Contract 5515A - Security Systems; Contract 5515B - Facility Systems; Contract 5515D - Computer Aided Dispatch (CAD)

No. 97-0190                                      Resolution approving the scope, budget and schedule and authorizing the Director to call for bids for Contract Nos. 5515A, 5515B and 5515D Security & Special Systems.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

5515A - Security Systems (Baseline budget: \$20,053,552.)

5515B - Facility (Building Support) Systems  
(Baseline budget: \$19,027,895.)

5515D - Computer Aided Dispatch (CAD) System  
(Baseline budget: \$2,576,302.)

17. Bid Call - Contract 5600E - Elevators for Ground Transportation and Cargo Facilities; Contract 5600.F - Moving Walkways and Escalators for Ground Transportation Facilities

No. 97-0191                                      Two resolutions approving the scope, budget, and  
No. 97-0192                                      schedule for Contract 5600E, Elevators for Ground  
Transportation and Cargo Facilities; and Contract 5600F,  
Moving Walkways and Escalators for Ground  
Transportation facilities; and authorizing the Director to  
call for bids when ready.

Consultant's estimate: 5600E - \$13,080,000.00

5600F - \$16,893,000.00

18. Modification No. 8 to Bond Counsel Services for Orrick, Herrington & Sutcliffe and Law Offices of Pamela S. Jue

No. 97-0193                                      Resolution approving Modification No. 8 to co-bond  
counsel contract with Orrick, Herrington & Sutcliffe and  
Pamela S. Jue, jointly, as bond counsel, to extend term of



contract thru and including September 30, 1997; increase compensation by the amount of \$400,000.00 for services rendered in connection with Airport Bond Issue No. 17, and implementation of the commercial paper program; and expand the scope of services related to the Ground Lease and Airport Hotel Development Agreement.

19. Award Contract 3513 - As-Needed Electrical Repairs - Barri Electric Company, Inc.

Resolution awarding Contract 3513, As-Needed Electrical Repairs, to the lowest responsive bidder, Barri Electric Company, Inc. in the amount of \$273,635., with the inclusion of two bid alternates.

20. Award Contract 2357C - North Airport Water Service. Professional Services Phase 2 - Olivia Chen

No. 97-0194

Resolution awarding Contract 2357C, North Airport Water Service, Olivia Chen Professional Services Phase 2, in the amount of \$200,000.00.

21. Authorization to Execute and File a Project Application with the FAA for Assistance

No. 97-0195

Resolution requesting the Mayor to recommend to the Board of Supervisors a resolution granting the Airport Commission authorization to execute and file a project application with the Federal Aviation Administration for Federal Assistance, in the amount of \$10,701,632.00

22. Consent to an Initial Public Offering of Approximately 75% of Avis Rent A Car System, Inc. Common Stock

No. 97-0196

\* \* \*

J. PUBLIC HEARING:

The public hearing was convened at 10:15AM and was closed at 10:18 AM, there being no requests from the public to speak. This item will be recalendared on July 15, 1997 for adoption.

23. Hearing on Proposed Changes to the Airport's Rules and Regulations





Hearing on Proposed Changes to Sections 1.4.7(C)(1)(a)  
through (c) of the Airport's Rules and Regulations  
governing maximum courtesy vehicle headways.

Mr. Fein said that several years ago the Airport put rules and regulations into place to reduce traffic on the roadways. A great deal of the rental car industry had runs that circulated the roads causing serious congestion on the roadways. The program has been very successful in significantly reducing the number of rental car buses on the roadways.

We are now looking at other industries that are running significantly more vehicles in their fleets, specifically the hotel industry and the off-Airport parking lot industry. We are looking at specific language dealing with the number of vehicles per hour so that we can come up with realistic headways.

Commissioner Berman asked if this public hearing item was advertised to interested parties.

Mr. Fein responded that the affected industries were notified. As well, there have been a series of meetings with the affected industries.

Mr. Martin said that staff will prepare a resolution for the next meeting.

\* \* \*

K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

L. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

M. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The closed session was convened at 10:20 AM.



The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled ABB Damiler Benz Transportation, North American Inc. v CCSF & Airport Commission and Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

The meeting reconvened at 10:57 AM.

The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

Item No. 3 was adopted by a 4 to 1 vote, with Commissioner Mazzola casting the dissenting vote.

3. Award Contract 5851B - Parking Lot 'D' Addition, Phase B - Interstate/MH, A Joint Venture

No. 97-0178

Resolution awarding Contract 5851B, Parking Lot 'D' Addition, Phase B, to the lowest responsive, responsible bidder, Interstate/MH, A Joint Venture, in the amount of \$3,846,920.00.

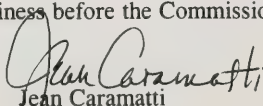
This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan, as supplemented by the West Field Projects Negative Declaration, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Martin said that the contract bid documents state that the low bid shall be determined in only one way and Interstate/MH, Joint Venture has been determined to be the low bidder.

\* \* \*

N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:01 AM.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

JULY 15, 1997

9:00 A.M.

✈ ROOM 428, WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO  
WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



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E.		ITEMS INITIATED BY COMMISSIONERS:		3
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	2.	Award Contract 5530B - Taxiways A & B Utilities Relocation to Roads R-6 & R-9 - Ranger Pipelines, Inc./Esquivel Grading & Paving, A J.V.	97-0199	4
	3.	Modification No. 1 - Contract 5900D - Elevated & Surface Circulation Roadways	97-0200	4
	4.	Modification No. 2 - Cotntract 5500B - International Terminal Foundations	97-0201	4
	5.	Modification No 1 - Contract 5601 - Utility Relocations, Phase VI	97-0202	4-5
	6.	Modification No. 4 - Master Plan Airline Liaison Office Agreement	97-0203	5
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12.	Award Professional Services Contract - Design of Millbrae Park Improvements & West of Bayshore Tree Buffer	97-0209	6
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K.	CLOSED SESSION:		
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L.	ADJOURNMENT:		8



Airport Commission Meeting  
July 15, 1997

A court reporter's transcript is available.

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:

Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Michael S. Strunsky  
Hon. Larry Mazzola  
Hon. Linda S. Crayton

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the special meeting of June 24, 1997 were adopted unanimously.

No. 97-0198

\* \* \*

D. DIRECTOR'S REPORTS:

1. Master Plan Quarterly Update

Status report of Master Plan Projects as of June 15, 1997 in accordance with the Baseline Budget and Schedule.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO MASTER PLAN PROJECTS:



2. Award Contract 5530B - Taxiways 'A' & 'B' Utilities Relocation to Roads R-6 & R-9 - Ranger Pipelines, Inc./Esquival Grading & Paving, Inc., A Joint Venture

No. 97-0199

Resolution awarding Contract 5530B, Taxiways A & B Utilities Relocation to Roads R-6 & R-9 to the lowest responsive, responsible bidder, Ranger Pipeline Inc./Esquival Grading & Paving, Inc, a Joint Venture, in the amount of \$2,537,185, contingent upon completion of the Human Rights Commission's review and Airport staff's concurrence with a favorable HRC opinion regarding compliance with the MBE/WBE subcontractor participation requirements.

This activity is within the scope of the SFIA Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and it's potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

3. Modification No. 1 - Contract No. 5900D - Elevated and Surface Circulation Roadways

No. 97-0200

Resolution approving Modification No. 1 to Contract 5900D, Elevated and Surface Circulation Roadways with Myers/Kulchin-Condon, a J.V. to furnish labor and equipment to install 249 Airport-furnished piles, and to furnish labor, equipment and material to install six sets of pilecaps with columns in the amount of \$2,140,000. The modification covers scope and budget transfer from Contract 5700B, ART Guideway.

4. Modification No. 2 - Contract No. 5500B - International Terminal Foundations

No. 97-0201

Resolution approving Modification No. 2 to Contract 5500B, International Terminal Foundations, in the amount of \$1,771,114 for work related to unanticipated conditions, pile cap modifications, utility tunnel revisions, and acceleration to recover lost time.

5. Modification No. 1 to Contract 56011 - Utility Relocations, Phase VI

No. 97-0202

Resolution approving Modification No. 1 to Contract 56011 in the amount of \$310,000 to install a 24 inch



diameter water main in the new casing crossing under Highway 101. The modification covers a scope and budget transfer from Capital Improvement Project No. 2357B, North Airport Water Service.

6. Modification No. 4 to Master Plan Airline Liaison Office Agreement

No. 97-0203

Resolution approving Modification No. 4 to the Master Plan Airline Liaison Office Agreement to extend the agreement to June 30, 1998, with additional compensation in the amount of \$993,800.00.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 7 through 10 were adopted unanimously.

7. Approval of the On Airport Development Agreement and the West of Bayshore Easement with BART

No. 97-0204

Resolution approving and authorizing execution of 1) the On Airport Development Agreement governing the Airport's expenditures of up to \$200 million for the BART-SFO Extension on the Airport, and 2) the West of Bayshore Easement Agreement granting to BART two easements: a "wee-stub" easement terminating concurrently with the BART Concourse H Lease, and a mainline easement, terminating upon BART's abandonment.

8. Renewal of Contract to Operate Airport Information Booth Program

No. 97-0205

Resolution exercising the second of four one year options with Polaris Research & Development, Inc. for operation of the Airport Information Booth Program, effective October 15, 1997 through October 14, 1998 at a cost not to exceed \$1.3 million.

9. Approval of Amendment No. 2 to the Airport/Community Roundtable

No. 97-0206

Resolution approving Amendment No. 2 to the Airport/Community Roundtable Memorandum of Understanding which establishes procedures for San





Mateo County cities to become voting members of the Roundtable.

10. Authorization to Receive Bids - North Terminal Apparel Lease

No. 97-0207

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 11 through 14 were adopted unanimously. Item No. 15 was put over.

11. Award Professional Services Contract for Consulting Services for Environmental Resource Agency Approvals - LSA Associates, Inc.

No. 97-0208

Resolution awarding a Professional Services Contract for Consulting Services for Environmental Resource Agency Approvals for Master Plan Projects to LSA Associates, Inc. in an amount not to exceed \$160,000.00.

12. Award Professional Services Contract - Design of Millbrae Park Improvements and West of Bayshore Tree Buffer

No. 97-0209

Resolution awarding a Professional Services Contract with Merrill + Belfu Associates for preparation of landscape plans for Bayfront Park improvements and the West of Bayshore Tree Buffer for an amount not to exceed \$135,000.

13. Award Contract 3513 - As Needed Electrical Repairs - Barri Electric Company, Inc.

No. 97-0210

Resolution awarding Contract 3513, As-Needed Electrical Repairs, to the lowest responsive bidder, Barri Electric Company, Inc., in the amount of \$273,635.

14. Proposed Changes to the Airport's Rules and Regulations

No. 97-0211

Resolution approving proposed changes to Sections 1.4.7 (C)(1)(a) through (c) of the Airport's Rules and Regulations governing Courtesy Vehicle Trips.



Item No. 15 was put over.

15. Reject All Bids - Contract No. 5950A - Improvements to Central Plant

Resolution authorizing the rejection of all bids received for Contract 5950A, Improvements to Central Plant and Authorize Rebid of the Contract.

This activity is within the scope of the SFIA Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan, adequately describes this activity and it's potential environmental effects for the purposes of the California Environmental Quality Act.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Commissioner Crayton suggested a community breakfast to discuss MBE contracting and concession opportunities at the Airport.

Comments were made by Ray Sloan regarding the shuttle industry.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

The meeting was recessed at 9:50 AM and reconvened at 10:00 AM and went into closed session.

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code



Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Air Transport Association of America and Airline Industrial Relations Conference vs. City and County of San Francisco, San Francisco Human Rights Commission, Airport Commission.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

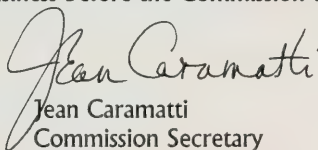
The Commission reconvened its meeting at 10:50 AM.

The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:50 AM.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

JULY 22, 1997  
SPECIAL MEETING  
8:30 A.M.

✈ ROOM 428, WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO  
WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





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A court reporter's transcript is available.

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	1.	Consideration and Possible Action - Contract No. 5950A - Central Plant Improvements	97-0212	2
E.		NEW BUSINESS:		2
F.		CLOSED SESSION:		
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G.		ADJOURNMENT:		3



Airport Commission Special Meeting  
July 22, 1997

A court reporter's transcript is available.

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 8:30 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Roland A. Quan, Vice President Hon. Larry Mazzola Hon. Linda S. Crayton
----------	---

Absent:	Hon. Michael S. Strunsky
---------	--------------------------

\* \* \*

C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

D. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was adopted by a 3 to 1 vote with Commissioner Mazzola casting the dissenting vote. The vote was to reject all bids.

1. Consideration and Possible Action - Contract 5950A - Improvements to Central Plant

No. 97-0212

\* \* \*

E. NEW BUSINESS:

There were no requests from the public to speak.

\* \* \*

F. CLOSED SESSION:



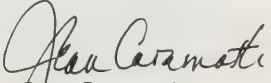
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Airport Commission did not go into closed session.

\* \* \*

G. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:10 AM.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

AUGUST 5, 1997

9:00 A.M.

✈ ROOM 428, WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





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F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Award Contract 5530D - Realign Taxiways A & B at Boarding Area G, West Phase - JMB Construction/ Granite Rock, A Joint Venture	97-0215	5-6
	3.	Award Contract 5520K - Boarding Area G Security & Special Systems Rough-in - Amelco Electric	97-0216	6-7
	4.	Modification No. 1 - Contract 5905A - Inbound/ Outbound Ramps & Structures	97-0217	7-8
	5.	Modification No. 1 - Contract 5500F - International Terminal Baggage System	97-0218	8-9
	6.	Modification No. 2 - Professional Services Contract 5700 - Transit Guideway Consultants for Airport Rail Transit (ART) Guideway and Fixed Facilities	97-0219	9-10
	7.	Bid Call - Contract 5670A - Concourse H/ART Station/North International Terminal Parking Garage	97-0220	10-12



G.	ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
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H.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
10.	Modification No. 2 - Professional Service Agreement - Contract 5900GS - Geotechnical Engineering Services for Airport Roadway Projects	97-0223	13
11.	Modification No. 1 - Professional Service Contract 5613 - Geotechnical Engineering Services - North & South International Parking Garages, BART/ALRS Combined Structures & Rental Car Facility - Lot D	97-0224	13-14
12.	Modification No. 14 to Legal Services Agreement - Morrison & Foerster	97-0225	14
13.	Modification No. 17 to Legal Services Agreement - Hanson, Bridgett, Marcus, Vlahos & Rudy	97-0226	14
14.	Bid Call - Contract 3895 - Runway Rubber Removal 1997/98	97-0227	15
15.	Request for Qualifications & Proposals - Contract 3907 - Professional Engineering Services - Paving Consultant	97-0228	15
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K.	CLOSED SESSION:	
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L.	ADJOURNMENT:	16



Airport Commission Meeting  
August 5, 1997

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 15, 1997 and the special meeting of July 22, 1997 were adopted unanimously.

No. 97-0213

\* \* \*

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

E. POLICY:

Item No 1 was adopted unanimously.

1. Nondiscrimination Covenants in Agreements for Non-Exclusive Use of Airport Property

No. 97-0214

Resolution adopting a policy requiring staff to incorporate certain nondiscrimination language into agreements, such as Airline Operating Permits and Ground Transportation Permits, which are not covered by San Francisco Administrative Code Chapters 12B and 12C.





Mr. John Martin, Airport Director explained that under the Administrative Code contracts and leases are subject to the non-discrimination provisions of 12B and 12 C of the code, however, the various airline permits and ground transportation permits, which are usually 30 days in length, are not included under these provisions. This policy item would extend the provisions of 12B and 12C to all Airport permits.

Commissioner Quan asked if 12D could be included.

Ms. Mara Rosales, Airport General Counsel did not believe that 12D could be included as a policy if it is not in the MBE ordinance. There is a particular standard of constitutional law that would have to be satisfied before those permits could be included. For that reason concession leases are excluded from the scope of 12D.

Commissioner Berman asked if this was a standard for all departments.

Mr. Martin responded that he did not know if all other departments were extending it to permits. He suspected that if the Commission approved this policy other departments are likely to follow.

\* \* \*

#### F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 4 and 6 and 7 were unanimously adopted. Item No. 5 was adopted unanimously as amended.

2. Award of Contract No. 5530D - Taxiways 'A' & 'B' Realignment at Boarding Area 'G', West Phase - JMB Construction/Granite Rock Company, A Joint Venture

No. 97-0215

Resolution awarding Contract No. 5530D, Taxiways 'A' & 'B' Realignment at Boarding Area 'G', West Phase, to JMB Construction/Granite Rock Company, A Joint Venture, in the amount of \$3,161,318.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that this contract is the third phase of the relocation of Taxiways 'A' and 'B' and will cover the realignment of the taxiways, West Phase, adjacent to Boarding Area 'G'.

Four bids were received on June 23, 1997. The low bid was submitted by JMB Construction/Granite Rock Company, A Joint Venture in the amount of \$3,161,318.



The contract calls for MBE/WBE participation of 18%/5% respectively. Both the Human Rights Commission and Airport staff have determined that the apparent low bidder is in compliance with these goals. No protests were submitted.

Commissioner Strunsky asked if this was within the budget.

Mr. Wong responded that the budget was \$4,018,000.

Commissioner Quan noted that the engineer's estimate was \$3.2 million.

Mr. Wong explained that that was the estimate for the contract. He was quoting the budget that was set aside for this particular project.

Mr. Martin added that the budget is established early on when the initial design work is completed. The engineer prepares a final estimate upon completion of the design work and when the contract is ready to go out to bid. The final estimate is often times lower than the initial budget.

Commissioner Quan asked for more consistency in presenting this information to the Commission.

Mr. Martin explained that in the future both figures will be included.

Commissioner Berman asked if the terms were synonymous.

Mr. Martin responded that they are not. For example, much more work was required on the sewage treatment plant than was originally budgeted so the engineer's estimate was different from the budget. It happens on occasion.

Commissioner Berman believed that an explanation should be provided when an estimate is not within the budget.

3. Award Contract 5520K - Boarding Area G Security and Special Systems Rough-In - Amelco Electric

No. 97-0216

Resolution awarding Contract No. 5520K, Boarding Area G Security and Special Systems Rough-In, to Amelco Electric, in the amount of \$1,374,617.00.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).



Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that the purpose of this contract is to provide the rough-in conduits for the Security and Special Systems in Boarding Area G.

The Airport received four bids on July 8, 1997. The second low bidder, Troy's Contracting and Edward W. Scott, Inc., A Joint Venture, applied for a 10% MBE/WBE bid preference which does not change the ranking of the bids.

The approved budget for this work is \$1,995,000. The Airport received and reviewed a bid protest from Troy's Contracting and Edward W. Scott, Inc., pertaining to two issues: (1) Amelco Electric was allowed to correct its omission in envelope "A" bid form 00468 (Security Certificate), and (2) Form 00496 was signed by an unauthorized Amelco Electric representative.

The Airport determined that the instruction to bidders allows for bidders to correct errors or omissions in envelope "A" at the time of the opening if it does not impact the price. Amelco Electric was given no unfair advantage over other bidders. Troy's Contracting and Edward W. Scott, Inc. JV, was also allowed to correct its omission of the safety engineer's resume, as required under envelope "A" bid form 00400 (Safety Experience). The Airport also determined that the Amelco Electric representative who signed form 00486 was authorized. Based on the above determination, Airport and City Attorney's staff found the protest without merit.

The contractor exceeded the MBE and WBE subcontractor participation goals of 8%/2% respectively by submitting 8.23% MBE participation and 2.11% WBE participation. The Human Rights Commission has recommended and Airport staff agrees that Amelco Electric is eligible for award of this contract.

Commissioner Strunsky assumed that these conduits were carrying a security system that was not fully designed when Boarding Area G was let and that it will be assigned to Tutor-Saliba.

Mr. Kardos told Commissioner Strunsky that he was correct.

#### 4. Modification No. 1 to Contract 5905A - Inbound and Outbound Ramps and Structures

No. 97-0217

Resolution approving Modification No. 1 to Contract No. 5905A, Inbound and Outbound Ramps and Structures, to incorporate into the contract the BART Underpass and related work and the Caltrans Seismic Retrofit work. Modification Amount: \$5,959,730.

Mr. Kardos said that on May 6, 1997 the Commission approved award of the base contract to Myers/Kulchin-Condon, Inc. Joint Venture in the amount of \$71,093,006.

The bids received covered three additive alternates which had to be awarded before September 3, 1997, to maintain the bid amounts. Two out of the three alternates





(designated as A1 and A3) are related to the BART crossing over Highway 101, while the third (designated as A2) covers the work associated with the Caltrans Seismic Retrofit Project.

The cost for A1, the actual Y-shaped guideway bridge, is \$4,532,100. Alternate A3, the interface work between the ramps contractor and BART's mainline contractor, carries a price tag of \$539,000. Alternate A2, the Seismic Retrofit, costs \$888,630.

The funding for these alternates comes from the Airport's maximum \$200 million contribution to the construction of BART facilities for Alternate A1, cost reimbursement by BART for Alternate A3, and cost reimbursement by Caltrans for Alternate A2.

The MBE/WBE goals of 14%/3% respectively established for the base contract remain in effect for these modifications as well.

Commissioner Strunsky asked if acceptance of these three alternates would have changed the low bid.

Mr. Kardos responded that it would not.

Item No. 5 was adopted unanimously as amended.

5. Modification No. 1 to Contract No. 5500F - International Terminal Baggage System

No. 97-0218

Resolution approving Modification No. 1 to Contract No. 5500F, International Terminal Baggage System, in the amount of \$3,010,725.00, for Additive Alternate No. 4, Boarding Area Crossovers.

Mr. Kardos explained that the original contract for the supply and installation of the baggage system was awarded by the Commission on April 15, 1997, to BAE Automated Systems, Inc. In the amount of \$43,091,060.

This modification will incorporate bid Alternate No. 4, the so called crossover conveyor, accommodating the routing of baggage from any of the ticket counters to any of the gates in either boarding area. It is the final link completing the common-use baggage system.

The crossover conveyor was not part of the basic system. The design only provided for the initial necessary trace to accommodate a future installation.

Due to recent growth in international travel and revised growth projections, the airlines requested the installation of the system as part of the current contract. The \$3,010,725 modification will increase the contract amount to \$46,101,785.

The combined MBE/WBE goal of 5% will apply to the additional work.

Mr. Martin added that the Airport had planned on this crossover system to be installed





under the Long Term Master Plan but given that we are running far ahead of our international traffic projections, and by the time we open the International Terminal in the year 2000 we will be at the 2005 or 2006 level, according to our Master Plan projections. We agree with the airlines that it makes sense to go ahead with this project now, however, the scope of this work was not included in the Near Term Master Plan budget approved by the Commission last fall. This change should not be funded out of the management reserves because it was not part of the original scope. He asked the Commission to delete the last Whereas clause in the resolution which states that the funding for the project will be transferred from the management reserve.

Commissioner Berman asked if the airlines have approved this in its present form.

Mr. Martin said that it did. Further, the funding provisions provide for a user fee based on the amount of usage. This will not affect the \$125 million commitment we have with the airlines. It only applies to landing fees and terminal rentals, but not special charges such as this.

6. Modification No. 2 of Professional Services Contract No. 5700 - Transit Guideway Consultants for the Airport Rail Transit (ART) Guideway and Fixed Facilities

No. 97-0219

Resolution approving Modification No. 2 to Professional Services Contract 5700, Transit Guideway Consultants for the Airport Rail Transit (ART) Guideway and Fixed Facilities to increase professional service fees in the amount of \$1,458,600, of which \$565,000 will be funded from the Airport's "up to \$200 million" contribution to the BART-SFO Extension. The services are necessary to incorporate BART system requirements into construction documents and provide additional construction administration oversight.

Mr. Kardos explained that the base contract awarded to a Joint Venture of Parsons Brinckerhoff/Manna Consultants/MG Engineering in 1995 authorized the design of the ART Terminal Guideway Structure. Modification No. 1 awarded in early 1996 extended the scope to include the guideway extension to the rental car facility, the ART/BART combined structure and the BART crossing structure over Highway 101.

Modification No. 2, the subject of this agenda item, provides for design services to incorporate into the construction documents specific requirements to accommodate the BART Operating System, and for an anticipated need for additional construction phase services due to the extension of project, scope increases and construction services. These additional construction services will be performed on an as-needed basis.

The amount of the contract modification is \$1,376,000. The aggregate of \$550,000 for BART related services which comes out of the Airport's \$200 million contribution to the BART extension, and \$776,000 for additional construction phase services.



The base contract's MBE/WBE participation goals of 20% and 2% respectively will remain valid for this modification.

Commissioner Berman asked if this modification keeps us within budget.

Mr. Kardos responded that these increases will be funded out of the bid underruns. We are under budget on the project level.

Commissioner Strunsky asked for an explanation of a sentence on page 2 of the memorandum which reads, "...it is anticipated that additional resources will be required as a result of the extension of the project implementation and the substantial bid underruns experienced on guideway projects."

Mr. Kardos responded that the resources are manpower.

Commissioner Strunsky asked if we were going to use more manpower because there is an underrun.

Mr. Kardos responded that we will to some degree. We have to make sure that we do not pay later for aggressively bid contracts. We want to make sure that technical modifications and potential substitutions are taken care of properly and promptly.

Commissioner Strunsky asked Mr. Kardos if he was concerned about the drawings.

Mr. Kardos responded that he is not concerned.

Commissioner Strunsky felt that the consultants should be donating the work to make the drawings correct.

7. Authorization for Bid Call - Contract No. 5670A - Concourse H/ART Station/North International Terminal Parking Garage

No. 97-0220

Resolution approving the scope, budget and schedule for Contract No. 5670A, Concourse H/ART Station and North International Parking Garage and authorizing the Director to call for bids when ready.

The construction budget for this project is \$114,700,000 which includes a budget of \$73,400,000 for Concourse H/ART Station, of which \$47,610,000 will be funded from the Airport's "up-to \$200 million" contribution for the BART-SFO Extension, and a budget of \$41,300,000 for the North International Parking Garage.

This activity includes elements that are within the scope of the San Francisco International Airport Master Plan



Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that the original Master Plan concept contemplated construction of two garages west of the new International Terminal on the North and South sides of the Airport access road.

The introduction of Concourse H reduced the size of the North garage and the establishment of the baseline budget in September 1996 postponed its implementation for budgetary reasons.

The rapid growth in international passenger traffic and the construction bidding climate currently experienced on Master Plan contracts prompted the Airport staff to re-evaluate the need for and timing of the North garage.

On July 11, 1997 the Airport requested airline approval to fund this facility as a capital improvement project independent of Master Plan funding.

On January 14, 1997 the Commission authorized a bid call for Contract 5670A, Concourse H/ART Station. The North Garage, although separate from Concourse H, is boxed in by Concourse H on the north and the circulation roadways on the south. It is almost imperative that, if built concurrently, the North garage and Concourse H be packaged as one construction contract.

The resolution before the Commission amends the scope of the original bid call and authorizes the Director to advertise the combined package pending airline approval of the North Garage.

The combined budget is \$114,700,000, composed of \$73,400,000 for Concourse H and \$41,300,000 for the North Garage. Of the \$73,400,000 budget \$47,610,000 will be funded from the Airport's "up to \$200 million" contribution to BART's SFO Extension.

The proposed MBE/WBE participation is 18%/3% respectively.

Commissioner Berman asked if this could result in some real savings because of the synergy of bidding one project instead of two.

Mr. Kardos responded that he hoped that a lower bid price would result.

Commissioner Strunsky said that this makes a very attractive, good size package and he wondered if there would be a special effort made to find additional contractors who might be interested in bidding.





Mr. Kardos responded that staff is contacting major companies that would be interested and capable of performing a scope of this size.

Commissioner Strunsky asked when this will go out to bid.

Mr. Kardos responded that it will go out immediately and bids will be accepted around mid-October.

Commissioner Crayton asked if there were many contractors capable of bidding on a project this size or are there just two or three firms.

Mr. Kardos responded that there are probably three to five ... Tutor-Salbia, Clark, Dillingham, Hensel-Phelps.

Commissioner Crayton asked if we have already worked out the issues surrounding the MBE participation and if everyone agrees as to what that is going to be.

Mr. Kardos responded that we have not worked out the details of the North Garage component. The Concourse H and ART station have MBE/WBE participation established at 18%/3% respectively. The present view is that the nature of the work is almost identical. The 18%/3% will most likely be applicable.

Commissioner Quan noted that the funding for this project is coming from the Capital Improvement budget not the Master Plan budget.

Mr. Kardos responded that it will be combined Master Plan/non Master Plan project.

Commissioner Quan assumed that the non-Master Plan portion will be the BART to SFO extension.

Mr. Kardos said that it will.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 8 and 9 were adopted unanimously.

##### 8. Award South Terminal Boarding Area "A" Retail Concession Lease A-1 - DeLaVe, Inc.

No. 97-0221

Resolution awarding the South Terminal Boarding Area "A" Retail Concession Lease A-1 to DeLaVe, Inc. with a minimum acceptable bid of \$200,000.

Commissioner Berman asked if DeLaVe was the original high bidder.

Mr. Ballard, Deputy Director for Business and Finance responded that DeLaVe was not the highest bidder.





19. Reimburse United Air Lines, Inc. for Worked Performed on Behalf of the Airport

No. 97-0222

Resolution authorizing reimbursement to United Air Lines, Inc. for the relocation of certain facilities within the Terminal Complex on behalf of the Airport at a not-to-exceed cost of \$693,000.

Commissioner Berman asked when the bids would go out for that space.

Mr. Ballard responded that the we expect to receive bids in September.

Commissioner Berman asked Mr. Ballard if he had any idea as to what that space would yield the Airport per year in rent.

Mr. Ballard responded that the specs would go out with a minimum annual guarantee of \$300,000. It would not surprise him if that was doubled.

Commissioner Mazzola noted that the Airport's prevailing wage policy covers reimbursement for work done on behalf of the Airport.

Commissioner Strunsky noted receipt of the article provided to the Commission on the opening of United's ground equipment building. He quoted the article as saying that "... building the structure United guarantees that the centerpiece of the Airport expansion, the new International Terminal will open on schedule."

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 19 were adopted unanimously.

10. Modification No. 2 to Professional Services Agreement - Contract 5900GS - Geotechnical Engineering Services for Airport Roadway Projects

No. 97-0223

Resolution approving Modification No. 2 to Professional Service Agreement with GEI Consultants, Inc., Roger Foott Division, Contract 5900GS, Geotechnical Engineering Services for Airport Roadway Projects to cover increases in scope of work. Modification is in the amount of \$200,000 and is within the project baseline budget.

11. Modification No. 1 to Professional Services Contract 5613 - Geotechnical Engineering Services, North and South International Parking Garages, BART/ALRS Combined Structures and Rental Car Facility - Lot D

No. 97-0224

Resolution approving Modification No. 1 in the



amount of \$11,800 for Professional Services Contract 5613, Geotechnical Engineering Services, North and South International Parking Garages, BART/ALRS Combined Structures and Rental Car Facility - Lot D with AGS, Inc/Woodward-Clyde Consultants/Ben C. Gerwick, Inc. to provide additional services for revised and expanded geotechnical analysis of BART underpass at Highway 101 as requested by Caltrans.

12. Modification No. 14 to Legal Services Agreement with Morrison & Foerster

No. 97-0225

Resolution approving Modification No. 14 to legal services agreement with Morrison & Foerster relating to the Airline Lease/Master Plan Contract to increase compensation in the amount of \$500,000; all other terms and conditions to remain in full force and effect.

Commissioner Quan noted that there was no MBE participation for Item No. 12 and 13.

Ms. Rosales responded that an MBE firm was retained rather than requiring a joint venture with Hanson Bridgett. The MBE firm consists of 10 attorneys and receives about \$100,000 worth of work on an annual basis. Hanson Bridgett receives about \$150,000 worth of work.

Commissioner Quan asked if the large law firms were hesitant in joint venturing.

Ms. Rosales responded that rather than joint venturing in all cases she prefers to recommend firms that are qualified to handle work on their own. The joint venture concept presupposes that the smaller firm needs either assistance or training from the larger firm. She does not always find that to be necessary. Ruiz and Sperrow won the competition among the MBE firms.

Morrison and Foerster is different because there are no MBE firms with experience in aviation law. We have asked them to bring on an MBE firm and they have done so. Choy, Dan and Marshall is working with Morrison and Foerster to handle several of our litigation matters.

13. Modification No. 17 to Legal Services Agreement with Hanson, Bridgett, Marcus Vlahos & Rudy

No. 97-0226

Resolution approving Modification No. 17 to legal services agreement with Hanson, Bridgett, Marcus, Vlahos & Rudy to increase compensation by the amount of \$150,000; all other terms and conditions of agreement remain in full force and effect.



14. Bid Call - Contract No. 3895 - Runway Rubber Removal 97/98

No. 97-0227

Resolution approving the scope, budget, and schedule for Contract 3895, and authorizing the Director to call for bids when ready. Estimated cost: \$300,000.

15. Request for Qualifications and Proposals - Contract 3907 - Professional Engineering Services - Paving Consultant

No. 97-0228

Resolution approving the scope, budget, and schedule for Contract 3907, Professional Engineering Services - Paving Consultant, and authorizing the Director to issue a request for qualifications and proposals. Estimated cost: \$300,000.

16. Transfer Ownership of Jetbridges - Airport, Continental Airlines, Inc. and Southwest Airlines Company

No. 97-0229

Resolution approving the transfer of ownership of jetbridges at Gates 32 and 36 from Southwest Airlines Company to the Airport, the transfer of ownership of jetbridges at Gates 11 and 15 from Continental Airlines, Inc. to the Airport and the transfer of ownership of jetbridges at Gates 33 and 34 from the Airport to Continental.

17. Renewal of FAA Lease for Runway End Identifier Lights (REIL), Runway 01R

No. 97-0230

Resolution authorizing execution of FAA Lease No. DTFA08-97-L-17638 for the continued operation and maintenance of Runway End Identifier Lights at the threshold of Runway 01R.

18. Exhibition Program Schedule for the Period Beginning Fall 1997

No. 97-0231

19. Retirement Resolution - Roger L. Kuns

No. 97-0232

\* \* \*



I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The meeting was recessed at 9:40 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

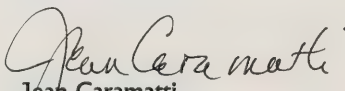
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 9:50 AM. The Commission determined that it was not in the public interest to disclose the nature of the discussion and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

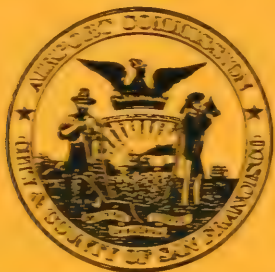
There being no further calendared business before the Commission the meeting adjourned at 9:52 AM.

  
Jean Caramatti  
Commission Secretary





# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

AUGUST 26, 1997  
SPECIAL MEETING  
9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



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Airport Commission Special Meeting  
August 26, 1997

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Airport Commission Special Meeting Minutes  
August 25, 1997

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 5, 1997 were adopted unanimously.

No. 97-0234

\* \* \*

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 through 4 were adopted unanimously.

1. Award of Contract No. 5700B - ART Guideway Westside - Tutor-Saliba Corporation

No. 97-0235

Resolution awarding Contract 5700B, ART Guideway Westside to Tutor-Saliba Corporation, in the amount of \$79,644,596.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master





Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that the ART Westside guideway package comprises all guideway sections west of the new International Terminal.

Seven bids were received on July 22, 1997. The low bid was submitted by Tutor-Saliba Corp. Four of the seven bids had minor mathematical errors which affected neither the ranking of the bids nor the bid amount of the apparent low bidder. All bids were within the baseline budget amount of \$97,516,578. The proposed resolution awards the contract to Tutor-Saliba Corporation as the lowest reliable, responsive and responsible bidder in the amount of \$79,644,596 of which \$18,209,429 will be funded from the Airport's "up to \$200 million" contribution to BART's SFO extension.

Similarly, \$1,366,457 of the \$5,973,345 requested contingency budget will be funded from the same source.

The MBE/WBE goals for the contract are 13.5%/6.5% respectively. Tutor-Saliba's proposed program is 14.4% MBE and 1.7% WBE participation. Although the 1.7% is below the stated goal, Tutor-Saliba's good faith effort documentation was approved by the Human Rights Commission, making the contractor compliant with the MBE/WBE subcontracting requirements.

No bid protests were submitted.

Commissioner Berman asked if the \$5.9 million was part of the \$79 million or is it an additional amount.

Mr. Kardos responded that it is contingency.

Commissioner Berman noted that we are \$13 million under the estimated cost.

Mr. Martin added that the \$13 million bid underrun was placed in the management reserve so it is no longer part of the project funding.

Commissioner Strunsky congratulated Mr. Kardos, his staff and the consultants on the fact that on an \$80 million bid the second bidder was barely 6/10s of one percent over the low bidder. That indicated to him that the drawings, the pre-construction meetings and everything about the contract was presented clearly and viewed the same way. That is significant with respect to holding costs in line in the future.

Commissioner Strunsky also noted that this contract geographically ends at the new rental car facility and hoped that staff would look at the possibility of coordinating extending the ART to the United Airlines Maintenance facility and the Lot DD garage during the next three year process.



Mr. Martin explained that an ART extension is part of the Long Term Master Plan.

Commissioner Strusnky hoped that it might be squeezed into the Near Term Master Plan so that it will all open at the same time.

Commissioner Crayton offered her congratulations on the 49% total MBE/WBE participation for subcontractors.

Commissioner Quan noted that we are drawing down on the "up to \$200 million" for BART and asked for a cumulative figure on how much has been used.

Mr. Kardos responded that we are in the process of developing a standard attachment for every award and contract modification package which will indicate the nature of the award and the funding sources.

Commissioner Berman asked when this project will be completed.

Mr. Kardos responded that it is due to be completed in 1999.

2. Modification No. 2 to Contract No. 5500C - International Terminal Structural Steel

No. 97-0236	Resolution approving Modification No. 2 to Contract 5500C, International Terminal Structural Steel, in the amount of \$5,083,786 for work related to the BART Link Building, Southwesterly Building Expansion, Art Enrichment, Structural Revisions, Unforeseen Conditions, and Materials Testing and Inspection. \$437,553 of this amount will be funded from the Airport's "up to \$200 million" contribution to BART's SFO Expansion.
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Mr. Kardos explained that the base contract for the International Terminal structural steel was awarded by the Commission on April 18, 1996 in the amount of \$73,778,000.

Modification No. 1 increased the contract by \$142,469 to compensate for delays in contractor access and associated material storage costs.

Modification No. 2 covers revisions to the International Terminal structural steel to accommodate the BART link building providing the connection between Concourse H and the International Terminal, the initial portion of the southwest concession expansion, some changes associated with the Art Enrichment Program and some minor field changes. The total amount also includes the cost for materials testing and special inspection services.

Funding for this modification of \$5.1 million comes from various budget transfers from other Master Plan contracts in the amount of \$2.3 million. An additional \$2.4 million



will be covered from the budgeted contract contingency, while the remaining \$400,000 will be funded from the Airport's "up to \$200 million" contribution to the BART SFO extension. With this modification, 55% of the contract contingency has been committed which compares favorably with 61% work completion.

The modification brings the total contract amount to \$79 million which is \$4.1 million less than the available budget of \$83.1 million which is the aggregate of the original construction budget, budget transfers and construction contingency.

The 5% combined MBE/WBE goal remains unchanged.

Commissioner Berman asked what would include "unforeseen conditions."

Mr. Kardos responded minor field changes.

Mr. Pete Bittenbender, Project Manager, added that the unanticipated conditions covered minor issues. There were some revisions to milestones and access dates because the steel was delayed. We had to pay for overnight standby crews last winter, and coordination was necessary between the steel contract and the foundation contract on tolerances for the base plates for columns.

Commissioner Berman asked if these types of modifications could be condensed into a page or two and listed in the item.

Mr. Kardos responded that he would look into it.

Commissioner Quan asked if contingencies are always used up.

Mr. Kardos responded that they are traditionally not. We are in the process of evaluating the actual contingency needs of the individual Master Plan components. Some of the contracts or projects within the Master Plan will require more contingency than the 7-1/2%. Some projects, such as the ramps or the guideway will not require the full 7-1/2%.

Commissioner Quan said that in private enterprise project managers receive bonuses for saving money and asked if this would be appropriate for us.

Mr. Martin responded that it was no coincidence that Dan Ng, the project manager with the first Master Plan project, received the management award last year after bringing the project in under budget and under the 7-1/2% contingency. We do try to give recognition to project managers who are delivering.

A final report on the final cost against the budget is prepared each time we close out capital projects. Probably only one out of 20 projects in Facilities Operations and Maintenance uses the entire amount budgeted or the 7-1/2% contingency.

Commissioner Strunsky noted that this information shows up in the quarterly reports.





Mr. Kardos added that contingency money cannot be used without the Commission's approval.

3. Joint Use and Maintenance Agreement - Inbound/Outbound Ramps Project No. 5905

No. 97-0237

Resolution authorizing execution of Joint Use and Maintenance Agreement between the Airport, BART and Caltrans as it relates to the BART undercrossing of Highway 101, a part of the SFIA Inbound/Outbound Ramps Project (Project No. 5905).

The Inbound/Outbound Ramps Project is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992, as amended by Addendum on April 26, 1996. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that Contract No. 5805A, the Inbound/Outbound Ramps and Structures, includes the construction of the BART undercrossing of Highway 101. This agenda item addresses the three party agreement covering the use and maintenance of the crossing structure.

The agreement defines the rights and obligations of the parties and stipulates that BART is responsible for all obligations under the agreement and Caltrans will first look to BART for the performance of obligations and payments of all monies due to the State. In case of non-performance or non payment BART would be deemed in default under the agreement and the City could deduct the defaulted amount from the City's regular payments to the BART district.

The agreement represents the negotiated consensus among the Airport, BART and Caltrans and is the result of active cooperation between the members of the three organizations.

4. Modification No. 3 to Professional Service Contract 5905 - Design of the Inbound/Outbound Ramps and Structures

No. 97-0238

Resolution approving Modification No. 3 to Contract 5905 with Parsons Brinckerhoff Quade & Douglas/Manna Consultants, a Joint Venture (PB/MC) for changes to the design of the Inbound and Outbound Ramps and Structures. The amount of the Modification is \$1,827,700 of which \$92,100 will





be funded from the Airport's "Up to \$200 Million" contribution to the BART-SFO extension.

Commissioner Berman noted that these round numbers give the impression that no thought was given to the estimate. This is the third modification, bringing the amount up to \$14 million.

Mr. Kardos said that this project will be supervised by Caltrans and would normally take them five years to complete. We are completing it in three years. Caltrans is required to react and exercise review and correction in a much faster mode than they are used to. The institutional inertia of the organization results in the fact that the comments and the requests come in at a considerably later date. Many of the changes found in Attachment A were coming in at 95% budget completion. In addition, there were some issues such as the highrail and the use of concrete guardrails versus metal guardrails.

There were a unique set of conditions that resulted in these design revisions. It is not a regular Airport run project where we have sole oversight.

There was a combination of issues which included the BART crossing coming into the picture which contributed to this.

Commissioner Berman asked if the original award was negotiated rather than bid.

Mr. Kardos responded that it was.

Commissioner Berman said that he would be reluctant to vote for further modifications on this contract.

Mr. Martin told Commissioner Berman that he heard Commissioner Berman's concerns on construction and A&E contracts modifications. Staff will prepare a report to the Commission on the system checks such as the Master Plan Advisory Board to review change orders as well as Jason Yuen who acts as an advisor to him on reviewing the modifications to A&E contracts. He will investigate further controls in requested change orders and reducing dollar amounts.

Commissioner Berman said that he had complete confidence on what goes on but he hopes Mr. Martin understood his concerns as a layman regarding situations such as this.

Mr. Martin said that with just about all of the construction contracts let the biggest concern is staying within budget and making sure that change orders don't take us over the original budget.

Commissioner Berman said that he was not questioning the effort, conscientiousness and the credibility of the people bring this before the Commission. Their integrity is not in question.

Commissioner Quan said that the concern he previously expressed is that if there are



going to be major modifications it might be easier to renegotiate with other architects or engineering firms.

Mr. Martin said that in the past when we have added an element to a project and the estimate from the architect appears to be high, we go out to bid on that portion.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 through 9 were adopted unanimously.

5. Award Contract 3192B (FAA) - Taxiway 'C' Extension, Taxiway 'P' Overlay & Utilities Construction - Pavex Construction Company

No. 97-0239

Resolution awarding Contract 3192B (FAA), Taxiway 'C' Extension, Taxiway 'P' Overlay & Utilities Construction to the lowest responsible, responsive bidder Pavex Construction Co. in the amount of \$5,144,349.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Ernie Eavis, Principal Engineer explained that the scope of this contract is to extend Taxiway C to the new Taxiway Q. The contract will be 75% funded by the FAA.

Seven bids were received. Pavex submitted the low bid. As this was an FAA contract, DBE goals applied as opposed to M/WBE goals. The goal was 1%.

Commissioner Berman noted that the bids were very close. He asked the how long the contract would run.

Mr. Eavis responded that the contract would take 120 days.

Commissioner Berman asked if this contract would result in traffic congestion.

Mr. Eavis responded that this work will be done on taxiways.

6. Award of Three Automated Teller Machine Leases

Resolution awarding Automated Teller Machine



No. 97-0240  
No. 97-0241  
No. 97-0242

Leases:  
Bank of America N.T. - \$103,500  
Wells Fargo Bank, N.A. - \$90,480  
First Bank National Association - \$90,480

Mr. Spencer Ballard, Deputy Director for Business and Finance explained that the Commission received a memorandum in mid July on the bids received for the ATM lease. At the time we were expecting roughly \$300,000 per year as the minimum amount for these three awards. There is a requirement to pay 33% of any fee or transaction that has been levied. For transactions for which there is no fee there is a 10 cent per transaction requirement.

The Human Rights Commission has not resolved all of the benefits analysis for the three proposers, therefore the awards are contingent upon HRC approval. If any of the three proposers fail to qualify we will return to the Commission to award an additional lease to one of the other proposers pursuant to the bid documents.

The bid documents call for three separate leases for five machines each to be awarded to proposers who were within 15% of the high bid. These three awards are within the 15% range. If one of the bidders falls out we will go back to the highest bidder first to determine if there is any interest in the third lease.

Commissioner Strunsky asked if these will be located together.

Mr. Ballard responded that some locations will have two ATMs.

Commissioner Berman asked who Travelex America was. Their bid was larger than the combined amounts of the other three bids.

Mr. Ballard responded that the company is involved in a number of travelers aid opportunities, including currency exchange. They are trying to get into the ATM business but are not yet established in that business.

7. Modification No. 6 to Contract 2352 - Computerized Parking Control System Enhancement

No. 97-0243

Resolution approving Modification No. 6 to Contract 2352, Computerized Parking Control System Enhancement, to increase contract amount by \$500,000 to a total of \$2,280,157 for the purchase and installation of the proposed parking control equipment for the new and relocated toll plaza at Lot D, and to extend the contract time to July 31, 1998.

Mr. Eavis explained that the entrance and exist of the long term parking lot is going to be moved to the extension of the South Airport Boulevard, close to United's



maintenance entrance.

The existing entrance/exit will be kept open until the new one becomes operational. To match the existing revenue controls currently in place we will have to modify Contract No. 2352.

Commissioner Berman asked if the \$500,000 was negotiated and will they receive that amount of money whether or not the need for that amount exists.

Mr. Eavis responded that this is a maximum amount payment and will be based on billings.

Commissioner Strunsky asked if we will salvage equipment.

Mr. Sheldon Fein, Deputy Airport Director responded that this purchase will provide us with a surplus when the old equipment is replaced.

Commissioner Strunsky assumed that there would be a maintenance credit that would be charged to the construction operation.

Mr. Fein agreed.

#### 8. On-Airport Hotel Opportunity

No. 97-0244

Resolution amending Hotel Lease Specifications as approved by Resolution No. 96-0136 in December 1996 and amending the Request for Qualifications issued in May 1997; authorizing staff to re-open the Request for Qualifications process based on the amended specifications; and authorizing staff, if deemed appropriate by the Director, to hold a second Qualifications Conference.

Mr. Ballard explained that the Commission should have received a FAX regarding concerns about this item.

One of the issues that became evident during the solicitation was that the nature of the facility was being doubled and the length of the term might well be in excess of 30 years. In addition to the term issue, another item that caused concern was the potential for us to control the facility given the number of parties that might be involved in the financing and developing.

This proposal addresses those concerns by shifting the financing responsibility to the Airport. By doing this we will be able to buy a shorter term and still have an economically feasible basis for the tenant to be able to operate under a 30 year lease. Controlling the facility should also improve the revenue potential.





This option was included in the RFQ however, it is now the primary approach rather than the secondary approach. We feel it is appropriate to reinstate the process to give all the parties the same very clear instructions to proceed through the solicitation.

The airlines have expressed their opposition to the use of general Airport revenue bonds. We have not explored all of the options for financing but we do intend to look at the revenue bonds as well as special facility bonds.

Mr. Ballard pointed to page 2 to a reference to the lease prohibiting the use of lease and security 2. That would not apply under the terms of special facility financing.

Commissioner Strunsky said that he understands that this is simply step one without a commitment to the further steps. He thought this was the right way to go.

Mr. Martin added that we will review this with the airlines and will return to the Commission for approval. Under the Lease and Use Agreement we are required to submit capital projects to the airlines for review and consideration before the Commission appropriates funding.

Commissioner Quan noted that two proposers were late and asked if they would have an opportunity to reapply.

Mr. Ballard responded that they will.

Commissioner Quan asked Mr. Ballard if this would expand the number of bidders.

Mr. Ballard responded that he believed that it would.

9. Increase in Contract Authorization for the New Airport Shuttle Bus Service Contract

No. 97-0245

Resolution increasing contract authorization from \$3.3 million to \$4.1 million for the Airport's new Shuttle Bus Service Contract with SFO Shuttle Bus Company.

Mr. Fein explained that the existing shuttle bus contract will conclude in December of this year.

Specifications were prepared in late 1995 for this contract. The Commission awarded the contract in May 1996 which included the purchase of five new air conditioned low floor buses to supplement our existing fleet. It will take approximately 18 to 30 months to receive the buses

The concept was that these five buses will be used to supplement the ART system in that they will pick up our employees and passengers at the end of the ART line and deliver them from that point to the new parking lot.



However, between now and the time that the ART system is in operation we will continue to operate a number of our existing vehicles in addition to the five new buses. The new buses will be placed into public operation and the old buses will be used for the employee shuttle operations.

The budget approved this year for the shuttle bus service was \$4.1 million, however, when the bid was put together it was estimated that the contractor's expenses would be \$3.3 million. The difference in cost was strictly in the number of bus hours that we will be running.

Commissioner Strunsky assumed that this was basically a labor contract.

Mr. Bob Planthold, Mayor's Disability Council, said that without exception all of the Airport's internal transit shuttles and contracts are inaccessible. That includes shuttles to the parking lots, car rental shuttles and hotel shuttles are not accessible. This first came before the Commission in January 1996 and was prepared in 1995. That was a previous administration, but years after the American's with Disabilities Act (ADA) was passed. This does not state that there will be accessible buses. Low floors do not automatically mean accessible.

If this City can require all contracts to be renegotiated for Domestic Partners Ordinance compliance why hasn't there been a counterpart renegotiation with any and all transit contracts for shuttle services that they retrofit. The City itself has done this. The City employee passenger shuttle between the Civic Center BART station and the Hall of Justice has been retrofitted.

People are being segregated and restricted from employment opportunities by this oversight.

There are a variety of disability accommodations. Two of the current members of the Mayor's Disability Council use wheelchairs due to hip problems. These individuals can drive cars without controls. The problem is that they can't get to a rental car lot. They have to pay extra money and be separated from other rental car patrons.

Commissioner Berman asked Mr. Martin if we are in compliance with Federal requirements.

Mr. Fein responded that the new equipment has handicapped lifts. Our Valet shuttle vans are handicapped equipped as well. Our older buses do not have wheelchair lifts.

This Commission has a policy that if any handicapped person parks in the garage that individual pays the long term parking lot rate. Further, handicapped spaces are located throughout the garage in compliance with the ADA.

Commissioner Berman asked how the public is made aware of these accommodations.

Mr. Fein responded that we have brochures that explain our handicapped services. Also, we have met with the Mayor's Task Force and a member of the Mayor's staff who



has been through the Airport's garage and parking lots to make sure we are in compliance.

Commissioner Berman asked Mr. Planthold if he was aware of the information Mr. Fein just presented.

Mr. Planthold said that the information he has was the personal experience of one of the members of the Disability Council.

That one constituency pays less in the garage sounds good but it still separates that constituency from any potential pool of employees. Since United Airlines buses are not accessible, the inaccessibility of Airport buses would preclude potential employment with United. The Valet shuttle is accessible but what is the definition of Valet shuttle service. He said that he was at the Airport over the summer and did not see any lifts on any vans. He does not know what Valet shuttle service is.

Handicapped people are taken out of the mainstream for transportation at the Airport. They cannot take the same transportation as other passengers. This is not being given the same treatment as other policies, such as the Domestic Partners Ordinance, that requires change immediately.

Commissioner Berman asked Mr. Martin to respond to the Commission in writing regarding Mr. Planthold's observations and any ways to ameliorate the situation.

Mr. Martin responded that the Commission will receive a report on all of the remediations being taken, particularly with respect to the Master Plan, to ensure full ADA compliance. A full time employee was recently hired to ensure that the Airport comes into full compliance quickly.

The Light Rail System, which will be used by all rental car passengers as well guests of the new hotel, will be fully compliant with the ADA.

Commissioner Berman asked Mr. Martin to provide a copy of the report to Mr. Planthold.

Commissioner Strunsky noted that Mr. Fein mentioned a brochure on handicapped services and asked if that brochure was available at all of our information counters.

Mr. Fein responded that it is. He added that the Airport also requires the door-to-door van industry to provide the service. The Valet service is an Airport operation out of the garage.

Commissioner Quan felt that Mr. Planthold's concerns appear to be focused on the airlines and hotels.

Mr. Martin assumed that the airlines and other tenants must meet the same compliance requirements as the Airport. He would look into it.





Commissioner Berman told Mr. Planthold that his concerns would be addressed and appreciated his appearance. He would like to correct all of the problems that exist at the Airport.

Commissioner Crayton asked Mr. Planthold if he has the brochure referred to by Mr. Fein.

Mr. Planthold responded that he was aware of it. There has been a long standing criticism of incompleteness, inconsistency and inaccuracies in the brochure.

Commissioner Berman asked Mr. Planthold to point out the inconsistencies to Mr. Fein.

Mr. Planthold responded that they have been pointed out in writing previously to Airport staff.

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 17 were adopted unanimously.

##### 10. Bid Call - Contract 5650B - QTA (Quick-Turn-Around) at Rental Car Facility on Lot D

No. 97-0246

Resolution approving the scope, budget and schedule and authorizing the bid call of Contract 5650B, QTA (quick-turn-around) at Rental Car Facility on Lot D.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

##### 11. Modification No. 2 to Geomatrix Consultants, Inc., Contract No. 5712

No. 97-0247

Resolution approving an increase to Basic Professional Services Fees in the amount of \$38,670.00 to Geomatrix Consultants, Inc. to provide additional Geotechnical Engineering Services for the Airport Rail Transit System Projects.

##### 12. Request for Reimbursement - Hilton Hotel

No. 97-0248

Resolution approving reimbursement for landscaping





work undertaken by the Hilton Hotel as a result of Master Plan construction in the amount of \$7,411.00.

13. Retirement Resolution - Margaret Biagi

No. 97-0249

14. Modification No. 1 to Contract No. 3494 - Professional Engineering Services - Geotechnical Consultant

No. 97-0250

Resolution approving Modification No. 1 to Contract 3494 with Treadwell & Rollo, Inc., Geotechnical Consultants, increasing the amount by \$50,000 to a total of \$350,000.

15. Request for Qualifications and Proposals - Contract 3937 - Professional Engineering Services - Geotechnical Consultant

No. 97-0251

Resolution approving the scope, budget and schedule for Contract 3739, Professional Engineering Services - Geotechnical consultant, and to authorize the Director to request qualifications and proposals. Estimated cost: \$300,000.

16. Sublease of Office Space to Airport from Northwest Airlines, Inc. under Lease No. 83-0185

No. 97-0252

Resolution approving sublease of office space to Airport from Northwest Airlines, Inc. under Lease No. 83-0185.

17. Authorization to Accept and Expend FAA Funding for K-9 Explosives Detection Team Program

No. 97-0253

Resolution authorizing acceptance and expenditure of FAA funding of the K-9 Explosives Detection Team Program.

\* \* \*

H. NEW BUSINESS:



This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests to speak from the public.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. There were no comments from the public. The meeting recessed at 10:01 AM and reconvened at 10:10 AM to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

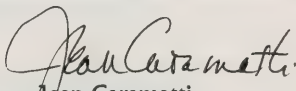
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

The meeting reconvened at 10:15 AM. The Commission determined that it was not in the public interest to disclose the nature of the discussion and voted unanimously not to disclose it.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:16 AM.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION




## MINUTES

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**SEPTEMBER 23, 1997  
SPECIAL MEETING  
9:00 A.M.**

 **ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO**

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**ROLAND A. QUAN**  
Vice President

**MICHAEL S. STRUNSKY**

**LARRY MAZZOLA**

**LINDA S. CRAYTON**

**JOHN L. MARTIN**  
Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128**



Airport Commission Special Meeting  
September 23, 1997

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Special meeting of August 26, 1997	97-0254	3
D.		ANNOUNCEMENT BY SECRETARY:		3
E.		SPECIAL ITEM:		
	1.	Election of Officers		
		President	97-0255	
		Vice President	97-0256	3-4
	2.	1997 Public Managerial Excellence Awards		4-5
F.		DIRECTOR'S REPORTS:		
	3.	Proposed ART-CalTrain Connection		5-8
G.		ITEMS INITIATED BY COMMISSIONERS:		8
H.		ITEMS RELATING TO THE MASTER PLAN:		
	4.	Award Contract 5950AR - Improvements to Central Plant - Hopkins Heating & Cooling	97-0257	9-10
I.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	5.	Authorization to Issue Request for Proposal for Media Services to Promote Ground Transportation	97-0258	10
	6.	North Terminal Discretionary Store and Boarding Area F Newsstand Leases	97-0259	10-11
J.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		





7.	Award Professional Services Contract 5001.01 - Landscape Master Plan - Merrill + Befu Assoc., Melvin Lee Assoc., Orsee Design Architects and Stevens & Assoc., A Joint Association	97-0260	11
8.	Contract Modification No. 2 to Contract 5900C - Piles, Pilecaps and Columns of the Elevated Circulation Roadways	97-0261	11-12
K.	NEW BUSINESS:		12
L.	CORRESPONDENCE:		12
M	CLOSED SESSION:		12-13
	Pending Litigation: FW Spencer Associated Builders & Contractors Adtrans		
N.	ADJOURNMENT:		13



Airport Commission Special Meeting  
September 23, 1997

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton

Absent:	Hon. Larry Mazzola
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\* \* \*

C. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of Resolution No. 97-0262 at the closed session of September 23, 1997.

\* \* \*

D. ADOPTION OF MINUTES:

The minutes of the special meeting of August 26, 1997 were adopted unanimously.

No. 97-0254

\* \* \*

ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

E. SPECIAL ITEMS:

1. Election of Officers



Commissioner Quan nominated Commissioner Berman for President. Commissioner Strunsky seconded the motion.

The vote to elect Commissioner Berman President was unanimous.

No. 97-0255

Commissioner Berman nominated Commissioner Quan Vice President. The nomination was seconded by Commissioner Crayton. The vote to elect Commissioner Quan Vice President was unanimous.

No. 97-0256

Commissioner Berman said that it has been his privilege to serve on this Commission. He has served the City of San Francisco under five Mayors and on five Commissions. He appreciates the confidence that the Commission has demonstrated in reelecting him.

He has a great deal of respect for the members of this Commission. They are as diverse politically, ethnically and culturally as the city of San Francisco itself is.

This is a very important period in the history of San Francisco International Airport and he is proud to be a part of it and to serve on this Commission.

Commissioner Berman added that part of the pleasure of working on this particular Commission has been the magnificent support system that is afforded by the Airport Administration, John Martin, John Costas, Tom Kardos and the entire staff. This project and staff's efforts have been noted throughout the world. It is an outstanding staff.

Commissioner Quan thanked the Commission for electing him again and staff for its support. This is a very congenial Commission. Commissioners stick to the issues and don't become involved in personal disputes.

## 2. Public Managerial Excellence Awards

Presentation of certificates to the three Airport employees nominated, of which one was awarded, for the 1997 Public Managerial Excellence Awards.

- 1) Severin Rizzo
- 2) Sandra Crumpler
- 3) Dorothy Schimke

Mr. John Costas, Acting Airport Director advised the Commission of Mr. Martin's nomination of three exemplary employees who have demonstrated dedication, commitment and excellence in their work.



Ms. Sandra Crumpler is Manager of the Airport's MBE/WBE Opportunity Program. Ms. Crumpler instills commitment in her subordinates, contract managers and Airport staff. She is very persuasive in her problem solving abilities. She has exceptional skills.

In the Master Plan Program alone 47% of the Architectural/Engineering contract dollars have gone to MBEs; 8.3% have gone to women. Of the 42 retail service concessions, 62% are operated by M/WBEs.

The Airport's acknowledgment in this area is due in great part to Sandra. The Airport has received awards from the San Francisco Black Chamber of Commerce for our surety bond program, the Asian American Architects and Engineers Award for Achievement and Affirmative Action, the Human Rights Commission Department of the Year Award in 1994 and the San Francisco Black Chamber of Commerce Annual Performance Award.

Ms. Dorothy Schimke, Senior Principal Property Manager, is responsible for dealing with many of the leasehold properties and managing development of certain facilities under the Airport properties division.

Ms. Schimke put together a financing plan and operations plan for the rental car facilities. This innovative approach has been recognized industry wide. Another successful project was the SFO Fuel Company Consortium. That project, combined with the rental car project, has allowed the Airport to operate more cost effectively, increase our revenues and has helped our business partners, the airlines and rental car companies, to realize a savings.

Mr. Severin Rizzo, Airport Facilities Services Manager, manages over 250 employees. He has been very successful in meeting the Airport's customer service goals. His management style emphasizes employee recognition. He fosters proactive supervision and management. All of his efforts have resulted in an increase in efficiency and strengthening the Airport's commitment to customer service. He has a committed custodial workforce that operates 24 hours a day, seven days a week. He has fostered training and cooperation for each employee.

Mr. Rizzo is one of five candidates in a citywide competition to receive the Chamber of Commerce Leadership Award for 1997.

Mr. Costas extended to each recipient Mr. Martin's thanks for a job well done and congratulations for a well deserved acknowledgment.

\* \* \*

#### F. DIRECTOR'S REPORTS:

##### 3. Proposed ART-CalTrain Connection

Staff report reviewing and providing findings and recommendations on studies conducted by the Joint Powers Board and the San Mateo City/County





Association of Governments and for a proposed Airport  
Rail Transit (ART)-CalTrain Connection.

Mr. Costas said that over the last year and a half, beginning with a report and study by the Joint Powers Board (JPB) and followed up by the San Mateo City County Association of Governments (CCAG) reports proposing a connection of the Airport's ART system to a CalTrain station. The first Airport staff report reviewing the JPB report was presented to the Commission on June 1996. The JPB report indicated that this connection would produce an increase in 5,000 trips a day to the Airport. Upon review of the report and discussions with JPB one of the staff findings was that the patronage forecast seemed to be high. The Commission was advised at that time that staff wanted to further validate and justify the patronage forecast withhold any action by the Commission until such time as the BART SFO design and funding issues were resolved. That effort was followed by JPB, working with CCAG.

In June of this year another Director's Report was presented to the Commission which reviewed the CCAG findings on this proposed connection. The finding indicated that the 5,000 trips that were estimated by the JPB report were overstated. There were actually 400 to 500 trips and those trips were diverted from other transit carriers. The connection would not necessarily reduce automobile trips to the Airport, the prime focus of all of our transit programs.

It was also recognized by Airport staff that this alternative connection would be a quality connection and would enhance convenience. It would reduce transfer by one and would reduce transit time up to 10 minutes for certain riders going to the north part of the Airport.

As a result of the second study staff recommended that we continue to withhold any action on this connection until a BART to SFO full funding agreement was received and if the JPB would proceed with a downtown extension on CalTrain.

Since June the Federal Transit Administration (FTA) has awarded a full funding grant agreement to the BART project. Secondly, Mayor Brown and the San Francisco representative on the Joint Powers Board has withdrawn its support for a proposed CalTrain downtown San Francisco extension.

These recent developments indicate that the implementation of the BART extension is reasonable and that the CalTrain downtown extension is unlikely.

The Alternative 5 proposal for this connection does not make sense for the Airport and it is a redundant alignment to the BART project. The Alternative connection, on the north side, would have convenience benefits but it cannot be justified in a cost benefit analysis because it would not attract new transit riders. Further, the cost per new transit rider is exorbitant and the cost cannot be justified.

Additionally, the Airport cannot legally construct, operate or maintain the alternative as the greater part of it is off Airport property. Based on these findings staff recommends that the



Commission no longer consider Alternative V5 to consider partial funding of the Alternative 3B connection for the prorata share of that project on the Airport solely contingent upon other funding sources being identified and secured by either JPB, the San Mateo County Transit Authority, MTC or other transit providers or developers to pay for the off-Airport portion. If that is not to occur then the recommendation will be to reconsider this connection in the future.

The final recommendation is to present these findings to JPB's Director in response to their request.

Mr. James Kelly said that he has been a resident of San Bruno since 1953. He said that neither of the two options for a connection with the Peninsula rail corridor bodes well for the Airport or the adjacent communities. Alternative 3B would be a disaster for San Bruno. It would deprive their flourishing downtown of any direct access to mass rail transit. It would also place a station at the farthest point from the majority of the citizens, eliminating the possibility of walking to the station as hundreds of people do now.

When the traffic plan was drawn up for the Airport expansion it mentioned a high speed rail connection. That reference dropped out of the final expansion plan and no one connected with the Airport has been able to tell him why. That connection would have been on 17 acres of Airport land on the northwest corridor, immediately adjacent to the rail corridor and the San Bruno station.

He urged the Commission to pursue that option.

Ms. Irene O'Connell, Councilwoman for the City of San Bruno said that the City of San Bruno encourages a permanent CalTrain station near I-380 that is consistent with the plans already on board for Alternative 3B. She thanked the Commission for its study and said that her Council concurs with it.

Mr. Malcolm Dudley, Chairman of the San Mateo County Transportation Authority said that they provided half of the funding for this study. Based upon the parameters that were set it was determined that either 3B or 5 would be the preferred alternatives.

Around the same time meetings were held with the five principal agencies involved and an accord was signed by him, Diane McKenna, Chair of MTC, Tom Huenning, Chair of Samtrans, Gene McKinnon, Chair of JPB and Dan Richard, President of BART.

These agencies all look forward to a direct connection. He pledged to the Commission, if it approves the connection, that he would be a strong advocate in securing funds for the off-Airport portion, not just from his own funding agency but with other funding agencies as well. It was their initial hope that all of the funds could come to the Airport through the MOU.

He understands the restraints under which the Airport operates in terms of limitations on Airport property itself. They feel it is extremely important. They all believe that a major relief is desperately needed. We need to provide every kind of alternative possible. He hopes



that the Commission will make a decision to support the project so that they can proceed. BART is funding the temporary relocation of the station to Tanforan. Their Authority is studying it. They would not be interested in proceeding if this connection did not happen. A lot of important decisions hinge on this.

Commissioner Berman said that it is well on its way to a realistic resolution.

Commissioner Strunsky said that he read the report and concurred with staff's understanding of Alternative 5. With respect to the alternative being left open for discussion, he understood that it is a connection to a CalTrain-only stop.

Mr. Costas said that it is, according to the JBP and CCAG reports.

Commissioner Strunsky assumed that if anything were to change it would come back to the Commission.

Mr. Costas said that if the proposal for the connection changed the Commission would be advised.

Commissioner Strunsky asked if any decrease would occur in the number of cars on the road. The system as described would increase the quality of service by eliminating one transfer.

Mr. Costas agreed.

Commissioner Quan did not understand the resolution.

Mr. Costas responded that it is not a resolution, it is a Director's Report. It was structured this way to provide a recommendation to the Commission for consideration of a connection which is dependent upon outside actions for funding. If that funding activity is not to be pursued or secured then the "or" condition says that failure to pursue the Commission can consider this connection in the future if high speed rail were to come down. This is to retain a consideration and to report to the agencies that had requested us to look at this connection.

Commissioner Quan said that this keeps our options open to consider a high speed rail connection.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

#### G. ITEMS RELATING TO THE MASTER PLAN PROJECTS:



Item No. 4 was adopted unanimously.

4. Award Contract 5950AR - Improvements to Central Plant - Hopkins Heating & Cooling, Inc.

No. 97-0257

Resolution awarding Contract 5950AR to the lowest reliable, responsive and responsible bidder, Hopkins Heating & Cooling, Inc. in the amount of \$5,813,332. The baseline budget for the base bid is \$8,255,800.

This activity is within the scope of the San Francisco International Airport's Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program's EIR, prepared for the Master Plan, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction, said that this project consists of the purchase and installation of equipment in the existing central plant located in the Airport garage. The contract consists of adding a 6,000 ton chiller replacing the 25,000 MBH hot water boiler generator with a 50,000 MBH unit, and adding associated accessories and piping. This equipment is necessary to accommodate the additional heating and cooling loads imposed on the plant as a result of the new International Terminal and Boarding Areas A and G.

Originally seven bids were received on April 24, 1997. Due to the inordinate amount of irregularities in the majority of the bids submitted, the Commission rejected all bids on July 22, 1997 and authorized the Director to call for re-bid.

Five bids were received on August 21, 1997, ranging from \$5,813,332 to \$6,835,000. All bidders qualified for 10% bid preference.

The baseline budget for this work is \$8.2 million with a final engineer's estimate of \$7.7million.

We received two bid protests by the second and fourth low bidders. Both protested the lower bids. With regard to the apparent low bidder, both protests questioned the technical qualifications, listing of subcontractors and status as a San Francisco business. The Airport and City Attorney's staff evaluated both protests and found them without merit as they related to Hopkins Heating & Cooling.

The bidders MBE/WBE utilization of 3.6% and 5.4% exceeds the 3%/3% goals. This is the largest contract awarded to an African American contractor.

Commissioner Crayton said that this is testimony to the degree that the Airport is reaching out to the community, that its programs are working and how we are working with the Human







\* \* \*

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 and 6 were adopted unanimously.

5. Authorization to Issue a Request for Proposal for Media Services to Promote Ground Transportation

No. 97-0258

Resolution authorizing Airport Director to issue a Request for Proposal for media services to promote ground transportation.

Mr. Costas explained that since 1991 the Commission has supported the campaign to promote ground transportation services. The campaign has had good results. The 1992 campaign, for example, increased mass transit ridership by 55%. This increase came about as a result of the media campaign.

The media campaign covers a wide range of transportation services including scheduled buses, door-to-door vans, shared taxis and limos as well as advertising our CalTrain and BART shuttles. The CalTrain shuttle increased ridership from 4,000 a month to 11,000 a month over the past four years. BART shuttle ridership increased from 13,000 to 26,000 from 1994 to 1997.

The Commission has acted through the years to support transit connections by adopting a Trip Reduction Rule in 1993 and a Transit First Policy in 1996.

The current contract will expire within the year. The budget is \$425,000. Last years expenditures were approximately \$400,000.

Commissioner Strunsky said that the logo shows limousines, buses, taxis and the CalTrain buses and hoped that we would emphasize the connection to BART in our new material. He assumed that if people in the East Bay knew more about it they may opt not to drive.

6. North Terminal Discretionary Store and Boarding Area "F" Newsstand Leases

No. 97-0259

Resolution approving the recommended lease specifications, authorizing staff to conduct solicitations, and, thereafter, accept bids for the North Terminal Discretionary Store and Boarding Area "F" Newsstand Leases, designated as Small Business Enterprise Set-Asides.



Mr. Bob Rhoades, Assistant Deputy Director for Business and Finance explained that this item authorizes staff to solicit and accept bids for two small business enterprise set aside leases. The first will replace the Personal Priorities shop in the North Terminal at Gate 75. It will be a discretionary store. The successful bidder will have the opportunity to select between gourmet foods, another lingerie shop or a greeting card store.

The second facility is currently a successful newsstand lease in Boarding Area F and is under the Boarding Area E lease. The plan is to separate the newsstand out and make it a small business enterprise set aside.

Commissioner Crayton asked if we were working with Outreach on this.

Mr. Rhoades responded that extensive outreach is being done.

\* \* \*

#### J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 7 and 8 were adopted unanimously.

7. Award Professional Services Contract 5001.01 - Landscape Master Plan - Merrill + Befu Associates, Melvin Lee Associates, Orsee Design Architects and Stevens & Associates, A Joint Association

No. 97-0260

Resolution awarding Professional Services Contract No. 5001.01, Airport Landscape Master Plan, to Merrill + Befu Associates, Melvin Lee Associates, Orsee Design Associates and Stevens & Associates, A Joint Association, in the amount of \$118,250.

This contract is funded from the Master Plan Baseline Budget.

8. Contract Modification No. 2 to Contract No. 5900C - Piles, Pilecaps and Columns of the Elevated Circulation Roadways - Funding Source: Project Budget

No. 97-0261

Resolution approving Contract Modification No. 2 to Contract 5900C, Piles, Pilecaps and Columns of the Elevated Circulation Roadways with Kulchin-Condon & Associates, Inc., to perform construction work tasks transferred from three adjacent contracts for an amount of \$1,735,598. All transferred work tasks and associated contingency administration, and OCIP are included in the approved scope and budget of the Airport Near Term Master Plan Program projects.



Commissioner Strunsky assumed that this was a budget transfer. He asked if this was in the other contract or separated out of the other contracts before they were bid?

Mr. Kardos responded that one of them was separated out of another contract before it was bid.

Commissioner Strunsky asked if the credits we were getting were adequate to buy the new work and is it a zero sum deal.

Mr. responded that it is.

\* \* \*

#### K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests to speak from the public.

\* \* \*

#### L. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

#### M. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The Commission went into closed session at 9:55 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled F.W. Spencer v City and County of San Francisco; Associated Builders and Contractors v City and County of San Francisco and Airport Commission; and, Adtrans v City and County of San Francisco and Airport Commission.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

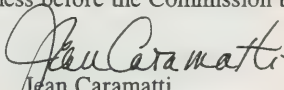


The Commission reconvened its meeting at 10:16 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:17 AM.

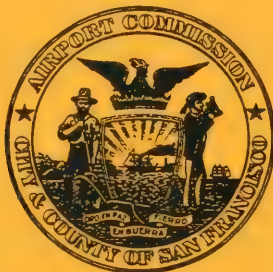
  
Jean Caramatti  
Commission Secretary





5

# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

OCTOBER 7, 1997

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



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October 7, 1997

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Airport Commission Meeting  
October 7, 1997

A. CALL TO ORDER:

The regular meeting of October 7, 1997 was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the special meeting of September 23, 1997 were unanimously adopted.

No. 97-0264

\* \* \*

- D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced the unanimous adoption of Resolution No. 97-0263 regarding the settlement of litigation entitled F.W. Spencer and Son, Inc in the amount of \$675,000.00 at the closed session of September 23, 1997.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

E. POLICY:

Item No. 1 was unanimously adopted.

1. Taxi Access Fees and Fare Surcharge





Resolution urging the San Francisco Board of Supervisors to amend Police Code Section 11.35 to allow taxicab drivers to pass through to their customers a portion of the Airport trip fee.

Mr. Spencer Ballard, Deputy Director for Business and Finance explained that the industry has asked that the Airport take a look at the possibility of a pass through fee. Working with the industry staff came to the conclusion that a pass through fee is reasonable. This resolution recommends that the Board of Supervisors authorize a pass through fee of \$1.00. If the Board approves the pass through the Airport would increase the \$2.50 per trip fee to \$3.50 per trip. That would move us closer to our goals of recovering the cost of the taxi operations without having any adverse financial impact on the industry itself. If the Board agrees, staff will return with a recommendation to increase the fee by \$1.00 and an additional increase of 25 cents per year for the next two years. If the Board fails to adopt the \$1.00 pass through staff will return with a recommendation to increase the per trip fee to \$2.75 on January 1, 1998; to \$3.00 per trip on January 1, 1999; and to \$3.25 per trip on January 1, 2000.

Staff has met with the taxi industry and they are in agreement with this plan.

Commissioner Strunsky asked what other airports charge.

Mr. Ballard responded that there is a range of 50 cents to \$2.50.

Commissioner Strunsky noted that taxi drivers will have to inform their passengers. He said that at LAX taxi drivers provide flyers that explain a variety of things, including what fare standards ought to be. He thought that this practice might have some value.

Mr. Martin responded that that was put into place about four months ago. Everyone entering a taxi is now provided with written information about fares and a telephone number to call.

Commissioner Quan asked if someone from the Board has been approached to carry this legislation.

Mr. Peter Nardoza, Deputy Director, Governmental Affairs responded that Supervisor Newsom, who chairs the task force on taxicabs, will be approached to carry the legislation.

Mr. Mark Gruber, taxicab driver, Chairman of the United Taxi Drivers Association and a member of the Mayor's task force on taxis said that it was his impression at last night's meeting of the task force that Supervisor Newsom was going to ask for a continuance of this item. He said that he has not read the resolution before the Commission but understands that it recommends that the Board approve a pass through as part of the taxi fare to the passenger. He has some questions about the fare numbers that the Airport is proposing.

\* \* \*

#### G. ITEMS RELATING TO MASTER PLAN PROJECTS:



2. Airport Surety Bond Program

No. 97-0266

Resolution expanding the Airport Surety Bond Program to (1) increase the loan guarantees for the Airport Surety Bond Program for Minority-Owned, Women-Owned and Small Business Enterprises and (2) authorize an increase in the line of credit with Wells Fargo Bank to \$5 million.

Mr. Martin explained that the Airport Surety Bond program has been in place for 2-1/2 years. We have provided over \$4 million in guarantees for both surety bonds and \$800,000 in loan guarantees. There have been no losses to date. The program has been very successful in helping smaller construction contractors obtain surety bonds.

We need to increase the amount of the fund and the guarantee from \$2.5 million to \$4 million. We are also recommending that the guarantee for the loans be increased from 50% to 67%. We have not been very successful on the loan side although we have been successful on the surety bonding side. We have learned that banks look for a larger percentage guarantee. We think that we can assist more construction contractors with this higher percentage guarantee.

\* \* \*

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 has been put over. Item Nos 4 through 7 were adopted unanimously.

3.. North Terminal Concession Opportunity Lease

Resolution (1) authorizing staff to conduct a solicitation process for the North Terminal Concession Opportunity Lease; (2) approving the holdover of the Boarding Area "E" Principal Concession Lease No. 92-0304; and (3) rescission of Resolution No. 97-0207 which authorized staff to accept bids for the Apparel Lease in Boarding Area "F".

4. Authorization to Conduct A Selection Process for a Cellular Phone Rental Service Lease

No. 97-0267

Mr. Ballard explained that Item Nos. 4 and 5 are small business enterprise set asides. They are both stand alone operations and fine opportunities for small businesses.

The cellular phone rental service was tried on a six month basis and proved to be quite successful with sales on a monthly basis beginning at \$10,000 and growing to \$16,000.

The process would be to hold a pre-bid conference with the industry and return to the Commission with a set of final specifications, receive the bids and return with a



recommendation for award of the lease.

He recommended holding over the current operator on a month-to-month basis.

5. Authorization to Conduct A Selection Process for the North Terminal Candy Cart/Kiosk Lease

No. 97-0268

6. Acquisition of the Goosedale Model Aviation Museum Collection for the SFO Museums

No. 97-0269

Resolution approving the acquisition of the Goosedale Model Aviation Museum Collection for the SFO Museums.

Mr. Martin explained that this item authorizes the purchase of this collection of 100 scale model aircraft for \$360,000. Most of these models are in the 12 ft. to 15 ft. range. This acquisition will place our aviation museum collection on the map.

The Aeronautical Society a non-profit corporation, was created and is beginning a fundraising effort. Future purchases for the collection will be funded from the non-profit corporation.

This purchase is also consistent with a strategy adopted by the Airport about three years ago in trying to obtain permanent collections so that we can draw from them from time to time rather than setting up exhibits coming from around the world. We now have the Landor Small Package Collection, the Treasure Island Collection and the Aviation Museum Collection.

The Museum program continues to be very well received by the public.

Commissioner Berman noted that the previous owner had wanted this collection to come to San Francisco Airport rather than remain in England.

Mr. Martin responded that Mr. Lou Turpen established a relationship with the owner and enhanced our credibility and integrity that the collection would remain intact and preserved.

7. Bureau of Exhibitions, Museums, and Cultural Education's Goals Related to the Master Plan

No. 97-0270

Resolution approving and adopting the Bureau of Exhibitions, Museums, and Cultural Education's Goals and Collection Plans with respect to the SFO Master Plan for the period 1997 to 2000 and the name change of the Bureau to SFO Airport Museums (SFO Museums).



Mr. Martin explained that this formally approves the goals for the exhibition program and is a part of the process for Airport exhibition program accreditation as a museum. We are in the final step of receiving the accreditation. In recognition of that we are asking for a name change to the San Francisco Airport Museums Program which more accurately reflects the scope of the program today.

Commissioner Strunsky thought that San Francisco Airport Museums was great but SFO Museums might be confusing to the outside world.

Mr. Martin responded that we are moving in the direction of using SFO more often because we find a high degree of public recognition of SFO and a positive association that goes with it. The official name will be San Francisco Airport Museums.

Commissioner Strunsky was confused by the inclusion of the incorporation documents relating to the San Francisco Aeronautical Society.

Mr. Martin responded that there is a need by the Museum Association to have the Commission take certain actions and it is related to that. The Commission has already approved the formation of the Corporation.

Commissioner Strunsky asked if the Corporation was associated with the Commission.

Mr. Martin responded that it is solely to support the Commission's Aviation Museum program.

Commissioner Strunsky noted that no one on Airport staff or the Commission is a director of the Corporation, nor is there a definition of how it interfaces with the Airport.

Mr. Martin said that he will provide additional information on an off-calendar basis. He will ask that Commissioners become ex-officio members. It is basically structured like the Friends of the Recreation and Park Department. Its purpose is to help provide support and funding for the program.

Commissioner Strunsky said that he has received many comments on the lack of an exhibit in the United area.

Mr. Martin said that we have all been frustrated by the delay in getting an exhibit back in that area. The exhibit was removed due to the dust from construction performed by Host. New dust resistant cases are being purchased that can be moved throughout the Airport.

Our program is unlike anything found at any other airport and has been used as a model worldwide.

\* \* \*

# I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 8 through 10 were adopted unanimously.





8. Modification No. 1 to Contract No. 5758 - North Cargo Facility/Apron Project Geotechnical Engineering Services

No. 97-0271

Resolution approving Modification No. 1 to Contract No. 5758 in the amount of \$55,000.

This modification is needed to expand the services of Geotechnical Consultants, Inc. to accommodate additional foundation design requirements for the North Cargo Facility/Apron Project. The modified contract amount is within the baseline budget.

9. Modification No. 2 to Contract No. 5400 - Boarding Area "B", Phase 1

No. 97-0272

Resolution approving Modification No. 2 to Contract No. 5400, Boarding Area "B", Phase 1 with Fong & Chan Architects for changes in the scope of work. This modification is a no-cost change to the existing contract.

The Master Plan Baseline Budget is not affected by this change.

Commissioner Strunsky asked what was meant by the Domestic Terminal Master Plan.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction responded that it refers to all existing terminal upgrading after the new International Terminal opens.

10. Amendment No. 1 to Warehouse/Office Lease - 350 Harbor Way Associates

No. 97-0273

Resolution authorizing Amendment No. 1 to Warehouse/ Office Lease extending the term for five years subject to modified terms and conditions.

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. Timothy Treacy, representing the San Francisco Airport Noise Committee, said that he is before the Commission this morning to discuss the reopening of the Airport reconfiguration study. He sent a letter to the Commission which outlines some of their concerns. His committee is not opposed to undertaking a reconfiguration study, however he hopes that it is done fairly and openly



and that there will be plenty of opportunity for input.

He noted that the Airport has had a policy against shifting noise from one community to another.

Commissioner Berman said that his committee and the public will be given ample opportunity to comment on this issue. He urges and looks forward to their participation.

\* \* \*

K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The meeting recessed at 9:30 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Air Transport Association of America and Airline Industrial Relations Conference vs. City and County of San Francisco, San Francisco Human Rights Commission, Airport Commission.

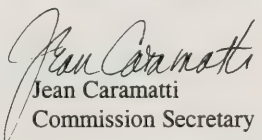
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 9:50 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:51 AM.

  
Jean Caramatti  
Commission Secretary



## 5




# 650

## MINUTES

1. 2010年10月1日起，凡在中华人民共和国境内销售货物或者提供加工、修理修配劳务以及进口货物的单位和个人，均应按照《中华人民共和国增值税暂行条例》及实施细则缴纳增值税。

DEC 19 1997

STATE FRANCHISE NO.  
FEBRUARY 1977

 ROOM 428, WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO  
WILLIE L. BROWN, JR., MAYOR

**HENRY E. BERMAN**  
President

**ROLAND A. QUAN**  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

**JOHN L. MARTIN**  
Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT**  
**SAN FRANCISCO, CALIFORNIA 94128**



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## AIRPORT COMMISSION MINUTES

November 4, 1997

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Michael S. Strunsky  
Hon. Larry Mazzola  
Hon. Linda S. Crayton

\* \* \*

### K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The meeting was recessed at 9:02 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting reconvened at 9:11 AM. The Commission continued the closed session to the end of the public meeting. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

### C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*



## D. DIRECTOR'S REPORT:

### 1. Master Plan Quarterly Update

Report on the status of the Master Plan Projects as of September 15, 1997 in accordance with the Baseline Budget and Schedule.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction said that by the third quarter of 1997 the Airport awarded \$1.574 billion in contracts, or 61% of the program budget. In terms of construction only a total of \$1.258 billion, or 67% has been awarded through the reporting date. Awards during the last quarter totaled \$119 million in construction, approximately \$20 million less than the corresponding budget.

Over the next 6 months we anticipate awarding \$450 million in construction contracts, bringing the awarded total to 79% of the program budget, or 91% of the construction budget.

During the reporting period approved invoices totaled \$111 million. The total invoices approved to date is \$638 million, or 25% of the total current budget.

Contingency usage to date is \$28 million, or 19% of the total contingency budget versus 23% construction completion. The current management reserve budget is \$99.3 million. This is a decrease of \$46 million from last quarter due to the elimination of the originally budgeted value engineering gains (\$60 million) offset by a \$14 million infusion of budget underruns transferred into management reserve. The current forecast for management reserve at completion is \$104 million, up from \$67 million forecasted last quarter.

The total program reached 27% completion with 75% design completion and 23% construction completion. The major completion milestone dates remained unchanged since the last reporting period. The International Terminal opening date remains May 2000, facilitated by the phased turnover of the facilities.

Boarding Area is proceeding on schedule. Boarding Area G is about two weeks behind schedule, but is not on the critical path.

The roadways are on schedule. Some schedule revisions are being implemented to assure on-time completion of the circulation roadways.

Due to the re-bid, the ART system's operation date has slipped 4 months to October 2001.

In the area of job safety our actual rates remained lower than the Federal values, but exceeded our goals that are 50% of the Federal averages. We are taking action to achieve our own goals.

MBE/WBE participation was 23%/6% respectively through June 30, 1997, at the program level. A breakdown by major activity types is provided in the report.



In summary, the Master Plan implementation program is on track for completion in accordance with the baseline budget and baseline schedule.

Commissioner Strunsky noted that this is a very comprehensive report and contains a lot of material. He would like the Commission to be kept abreast of the study. This is a large project so the scale of these is small. He is noticing that the total program cash flow based on approved invoices is moving away from the late start schedule and toward the early start schedule but the work performed seems to be riding between the late start and early start. These are big numbers and he wants to make sure that we are treating our contractors fairly but looking at the work accurately.

Commissioner Quan looked at the forecast and noticed in the summary that there are various delays. He wanted to make sure that any additional cost was also factored into the estimate to complete.

Mr. Kardos responded that the forecast completion is the revised cost forecast that we went through during the last months. This reflects the to-date condition of the program.

## 2. Small Business Enterprise Definition for Concessions

No. 97-0274

Resolution amending the Airport's Small Business Enterprise definition.

Mr. John Martin, Airport Director explained that this policy will modify our Small Business Enterprise (SBE) policy to conform to the FAA standard. Since we accept Federal grant funds we have to conform to the Federal standard. It is a significant change in the SBE definition ... \$800,000 is the current definition of a stand alone SBE or \$2.6-million for an SBE in partnership with other SBEs. Going to that level brings a lot more firms into play. Historically, we have used this narrow definition to bring new businesses into the Airport and seen them grow and bidding on much larger concessions.

We are continuing to do set asides. Some of the set asides are concessions that generate \$1 million or \$1.5 million less a year in revenue. There will still be opportunities for the much smaller businesses.

He may also come back to the Commission at a later date for a local business preference for the concession program. He believes that this is a way to bring more local small firms into the fold and bidding on Airport concession opportunities.

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## F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 and 5 through 8 were adopted unanimously. Item No. 4 was adopted by a 4 to 1 vote.

## 3. Award Contract 5600E - Elevators for the Ground Transportation & Cargo Facilities





Thyssen Elevator Corporation

No. 97-0275

Resolution authorizing the award of Contract 5600E, Elevators for the Ground Transportation & Cargo Facilities, to the lowest reliable, responsive and responsible bidder, Thyssen Elevator Corporation, in the amount of \$9,823,101.

This activity is within the scope of the San Francisco International Airport's Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program's EIR, prepared for the Master Plan, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA). The \$9,823,101.00 is within the Master Plan budget.

Mr. Kardos explained that this contract consolidates the elevator components of seven contracts covering various ground transportation and cargo facilities.

The contract provides for the supply and installation of 33 elevators included in the base contract and the extra one at the rental car facility covered by Alternates 1 and 2. The contract also provides for five years of maintenance.

Two bids were received on September 10. The low bid, submitted by Thyssen Elevator Corp., was \$9,823,101 and contains 6.15% combined MBE/WBE participation compared to the 5% goal.

The low bid is within the baseline budget of \$10.2 million. Out of the total bid, \$646,640 will be funded from the Airport's \$113 million contribution to BART's SFO extension (4 elevators in Concourse H at \$937,160). No protests were submitted.

Commissioner Berman asked if there was any concern about the disparity between the two bids.

Mr. Kardos responded that perhaps Montgomery Kone felt that it was a limited competition and looked towards a higher profit.

Commissioner Mazzola asked Mr. Kardos if he was suggesting that that was the reason for the 45% differential in the bids. He asked if they the successful bidder on the next item.

Mr. Kardos responded that they were.

Commissioner Strunsky asked if there was interest from other companies. He noted that Schindler and Fujitech were bidders on the next item. He asked Mr. Kardos what he believed caused the lack of interest.



Mr. Kardos responded that it is difficult to say.

Item No. 4 was adopted by a 4 to 1 vote with Commissioner Mazzola casting the dissenting vote.

4. Award Contract 5600F, Escalators and Moving Walks for the - Ground Transportation Facilities

No. 97-0276

Resolution authorizing award of Contract 5600.F to the lowest reliable, responsive and responsible bidder, Montgomery KONE, Inc., in the amount of \$15,677,500.

This activity is within the scope of the San Francisco International Airport's Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program's EIR, prepared for the Master Plan, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

The \$15,677,500 total is funded by \$13,124,500 Master Plan funds, and \$2,553,000.00 by the Airport's \$113,000,000 contribution to BART's on-Airport fixed facilities.

Mr. Kardos explained that Contract No. 5600F provides for the supply, installation and five years of maintenance for a total of 27 escalators and 10 moving walks for five projects.

Four bids were received on September 10, 1997, with Schindler Elevator Corp. submitting the apparent low bid. On September 23 Montgomery Kone submitted a protest alleging that Schindler qualified its bid with regard to Section 12B of the San Francisco Administrative Code and did not comply with the MBE/WBE participation requirements of the contract.

After review and investigation the Airport and HRC staff found the protest justified and Schindler non-compliant with Section 12B of the San Francisco Administrative Code.

Montgomery Kone's MBE/WBE participation of more than 1.3% exceeds the 1% combined goal stated in the specifications.

While the \$15.7 million bid by Montgomery Kone exceeds the \$14.5 million engineers estimate it is still within the overall baseline budget for the component projects. \$2,553,000 of the total amount will be funded by the Airport's \$113 million commitment to BART's SFO extension.



Mr. Kardos recommended awarding the contract to Montgomery Kone.

Mr. Gene Barnette, District Manager of Schindler Elevator Corp. in San Francisco, explained that while Schindler's bid was complete in every material sense, an oversight was committed in not thoroughly completing the good faith effort form. When brought to their attention, Schindler acted promptly, properly and responsibly and amended the oversight by listing the subcontractor that had been identified and interviewed prior to the bid date and accepted by Schindler.

Mr. Barnett said that it is critical to note that the oversight did not provide Schindler with an unfair advantage relative to the price, time or changes in the work. The purpose and reason for making the good faith effort is to encourage businesses to utilize disadvantaged enterprises. Schindler meets and significantly exceeds the goal.

Schindler's bid was in excess of \$2.7 million less than the next bid and was submitted by a responsible, competent bidder which has been the largest producer of escalators in the world for the last three years.

One of the advantages and intent of the public bid is to insure that the public receives the lowest possible price from a competent and responsible bidder. As the agency charged with this responsibility you have the authority and the right to waive informalities not involving price, time or changes in the work. To ignore that right and authority and spend more than \$2,700,000, or more than an additional 20% for the next high bidder because one form was incomplete does not serve the best interest of the public and this project.

Item No. 9 of the Instructions to Bidders states in part that "...prior to the award the apparent low bidder and its subcontractors will be required to attend a meeting with representatives of HRC." Schindler is clearly the apparent low bidder but to date Schindler has had no meeting with HRC, in spite of the fact that a meeting would seem appropriate to resolve these issues. Schindler would still welcome the opportunity to meet with the HRC.

If the Commission's decision remains unchanged he requests that award of this contract be delayed and Schindler's bid be returned to the HRC for further review.

Mr. Martin explained that this issue was thoroughly reviewed with the City Attorney's Office. The HRC requirements cannot be waived. The forms must be complete.

Ms. Mara Rosales, Airport General Counsel explained that the particular requirement at issue is to identify the subcontractor with the bid. This requirement is based on the MBE ordinance itself and is not a requirement that is waivable by the Commission. Failure to list at the time cannot be changed after the fact. For that reason the bid was deemed non responsive.

Commissioner Berman asked if Schindler was provided all of the opportunities within their rights to rectify this in proper fashion.



Mr. Martin explained that this is not an item that could be corrected after bid submission. The requirements were reviewed as a part of the pre-bid conference. The contract documents were clear. It was understood that these forms must be completed in accordance with the City standard.

Commissioner Mazzola said that the forms have been filled out, admittedly late, they do meet HRC requirements and there is a \$2.7 million difference in bids. We have some obligations to review it.

Mr. Martin said that he hates to pass up that kind of savings but we have to follow the legal standards.

Ms. Rosales explained that the ordinance requires the information be submitted with the bid. If a bidder fails to include this information through oversight, the standards of the law have not been complied with. There are provisions in the law for waivers but that also has to be submitted with the bid. The Commission does not have the authority to waive or amend the ordinance.

Commissioner Crayton asked if this was an HRC call.

Ms. Rosales responded that it is the ordinance of the City that is incorporated by reference in the Airport's bid documents that the Commission is required to follow as a matter of law. It is not a Commission requirement that is waivable.

Commissioner Strunsky noted that Montgomery Kone's proposal has a 1.071% MBE commitment and asked if Schindler's proposal resulted in a higher MBE participation.

Mr. Mike Allen, Project Manager responded that Schindler's MBE participation was 1.4%.

Mr. Martin added that he did not believe that HRC conducted its review of Schindler's bid because the form was not submitted with the bid.

Mr. Martin said that this type of situation keeps occurring. A contractor fails to submit one form that in many ways could be viewed as a technicality but it is a serious legal technicality that we cannot waive.

Commissioner Mazzola asked if this contract had a critical time frame. Could these bids be thrown out and new bids requested.

Mr. Kardos responded that this contract does not have a direct impact on the schedule.

Commissioner Quan noted that it is alleged that Schindler did not meet the Domestic Partners Ordinance.

Mr. Kardos noted that there was a qualification in the bid which said that compliance with the Domestic Partners Ordinance is subject to legislative decision on the Ordinance.





Mr. Martin said that we don't accept qualified bids.

Commissioner Mazzola motioned that all bids be thrown out. He said that it behooves this Commission to try this process again. If we can save \$2.5 million on this project we should not pass it up over a technicality.

Commissioner Strunsky asked if this were to be rebid would Schindler drop its qualification regarding Domestic Partners.

Mr. Barnette responded that they would.

Commissioner Crayton was concerned that both of the bidders bid under the same rules at the same time. Even though Schindler's bid was \$2.7million less, would we be setting a precedent.

Commissioner Strunsky said that the Commission has the right to reject all bids at any time for whatever reason. He did not think that we set policy by such an action.

Mr. Martin said that this is a policy matter for the Commission, particularly in view that we do have the time to rebid this and still meet all of our project schedules. It would be a viable option for the Commission to reject all bids. There will be future contracts that will be critical path and will carry a recommendation to award to the second or third low bidder.

Commissioner Strunsky felt that this was more a business decision than a policy matter.

Mr. Kurt Stepaniak, Montgomery Kone, said that they all had the same legal requirements. No one else qualified their bid relative to Domestic Partners and everyone else completed all of the forms. The Commission may be setting up a situation where a bidder will put qualifications on bids or not submit forms. If successful, the bidder can comply. If unsuccessful, the process could begin again.

Commissioner Mazzola asked Mr. Stepaniak if he agreed with Mr. Kardos, relative to the previous item, that Montgomery Kone believed that they would be the sole bidder and jumped their bid.

Mr. Stepaniak disagreed.

Commissioner Mazzola said that Montgomery Kone was 45% higher on that bid than any other bidder.

Commissioner Quan asked if Schinder has done business with the Airport before.

Mr. Barnette responded that they have.

Commissioner Quan said that they should be familiar with the HRC rules and regulations.



Ms. Rosales said that when Schindler submitted its bid it did list a company that it claims was either certified, believed to be certified as an MBE or was certifiable as an MBE. If that company had been certified or certifiable she believed that they would have met the MBE goal requirement. However, it turned out that the company was neither certified nor certifiable.

Subsequent to that conclusion the suggestion was that there was another company that could have been listed but through oversight was not listed. In addition, the good faith efforts form was partially filled out so there was some attempt at good faith efforts compliance. It is because of those misunderstandings, omissions or lack of clarity in the submissions of the bid that rendered the conclusion that the bid was non responsive.

Commissioner Strunsky thought that it was a second bite of the apple.

Commissioner Mazzola again made a motion to reject all bids.

The motion died for lack of a second.

5. Reimbursement to Budget/Dollar for Relocation Costs of the Interim Facility at Plot 3

No. 97-0277

Resolution authorizing additional reimbursement to Budget and Dollar in the amount of \$457,436.00 for the relocation costs of the Interim Facility at Plot 3.

This project was administered as a reimbursement to Budget and Dollar to design, construct and relocate to their Plot 3 Interim Facilities.

The project budget of \$4,499,000 was based on the appraised value of the existing facilities. The actual cost to construct the replacement facilities was \$4,954,436.00. This modification will reconcile the difference between the estimated appraisal budget and the actual cost.

Mr. Kardos explained that the Circulation Roadway and In-bound/Out-bound Ramps Construction required the relocation of Budget and Dollar Rental Car companies from Lot C.

The Commission, under Resolution No. 96-0301, approved the reimbursement of the two companies based on the appraised value of the facilities in accordance with Airport policy.

Due to unforeseen site conditions, such as unknown underground utilities and obstructions and required construction acceleration, the final facility cost exceeded the appraised value by \$457,436 (\$4,956,436 vs \$4,499,000), approximately 10%.



This item authorizes the additional reimbursement to Budget and Dollar. Funds for this modification are available from bid underruns of the Circulation Roadway and In-bound/Out-bound Ramps Project.

Commissioner Strunsky cautioned enthusiasm for spending money from underruns. He assumed that there is a forecast of underruns but said that underruns don't happen as often as we would like.

Mr. Kardos explained that the reason these projects are being reimbursed from underruns is because they caused the need for the relocation.

Commissioner Berman asked if there is a precedent involved.

Mr. Martin explained that Budget was relocated once before. The same situation occurred when we were putting in the facilities and underground utilities not reflected in the contract documents were found. Additional reimbursement had to be provided.

6. Award Contract No. 3606-GR, Environmental Remediation Phase II Removal and Disposal of Contaminated Soil, Sludge, and Water and Other Environmental Work at San Francisco International Airport

No. 97-0278

Resolution awarding Contract 3606-GR, Environmental Remediation Phase II Removal and Disposal of Contaminated Soil, Sludge, and Water and Other Environmental Work at SFIA, in the amount of \$2,081,449.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that this contract is a re-bid. The contract was first advertised in September 1996. All bids were rejected due to a reduction in the scope of work. The project budget was reduced by \$2 million and the funds were transferred back to the Master Plan Management Reserve.

The purpose of the contract is to provide on-call environmental clean up and remediation services. Seven bids were received on September 9, 1997. Ogiso Environmental submitted the low bid of \$2,081,449. MBE/WBE subcontracting goals are 7%/2% respectively. Airport and HRC staff have determined that the low bidder is in compliance with these goals. The low bid is under the engineer's estimate of \$2,970,800. No protests were submitted.

7. Award of Contract No. 5826H - Plot 41 Hardstands, Phase H

No. 97-0279

Proposed resolution to award Contract No. 5826H, Plot 41 Hardstands, Phase H, to the lowest responsive, responsible bidder, Stacy Witbeck Inc./Ramirez



Engineering Corporation, A Joint Venture in the amount of \$881,999.

Mr. Wong explained that this contract is to complete the pavement construction in the unpaved area in Plot 41 for a new cargo bypass operation, modify a prefabricated structure that will become the new Airfield Operations Facility and construct a carport structure to house the Operations vehicles.

Four bids were received on September 11, 1997. The low bidder was Stacy Witbeck/Ramirez Engineering. The MBE/WBE goals were 7%/3% respectively. Airport and HRC staff have determined that the low bidder met the goals.

One protest was submitted by Miller Thompson. Airport and HRC staff have reviewed the protest and found the allegations to be without merit.

The project is under the engineer's estimate of \$962,900.

Commissioner Mazzola recalled an issue the City had with Stacy Witbeck which resulted in Stacy Witbeck being banned from doing business with the City.

Mr. Wong responded that Stacy Witbeck was banned for a period of two years and then reinstated.

#### 8. Approval of Artwork Design

No. 97-0280

Resolution approving artwork designs for the following locations:

<u>Location of Artwork</u>	<u>Artist</u>
Arrivals Level of New International Terminal	Vito Acconci
Gateroom in Concourse G	Squeak Carnwath
Gateroom in Concourse A	Enrique Chagoya
Gateroom in Concourse A	Viola Frey
Above Escalators in Concourse H	Ned Kahn

Mr. Kardos explained that in accordance with our ART Enrichment Program, five artists submitted their designs for installation in the International Terminal and Concourses A, G and H. Ms. Susan Pontious of the Art Commission will present the designs and respond to questions.

Ms. Pontious explained that the first project is for the transfer corridor of the International Terminal. The artist is Vito Acconci. It is a light sculptured work and will incorporate functional telephones. The piece, constructed of frosted plexiglass, will be visible from the exterior of the building as well. There will be a steel support structure from within and it will be lit with colored fluorescent lighting.





Mr. Acconci explained that the light beams come out of the strip of light onto the ceiling and then onto the wall. This is a directional piece and the light becomes more dense as the passenger proceeds through the corridor.

Mr. Enrique Chagoya has designed a piece for Concourse A entitled "Love Letters". The origami boats will contain love letters in different languages ... an English love poem by Maya Anjelou, a French poem by Frambeau, Spanish, Portuguese, and "I love you" in sign language. The piece will be executed in porcelain enamel.

Squeak Carnwath has designed a piece for Concourse G. The piece will also be done in porcelain enamel and depicts poetic images and text reminiscent of flight..

Viola Frey will work in ceramic tile. Ms. Frey's piece is a personal mythology of characters that represent different aspects of creativity and culture.

The piece for Concourse H has been designed by Ned Kahn who was the artist in residence at the Exploratorium for 17 years. His work deals with natural phenomenology of weather, nature and men. It is a digital entitled "Watch the Wind." The effect is created by tiles made of light weight aluminum disks that move with any breath of air.

Mr. Martin reminded the Commission that the members of the Airport Art Joint Committee who represent the Airport are Stan Mattison, Bill Coblentz and Jason Yuen. He said that these are exciting pieces designed by prominent artists.

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The Commission recessed at 10:00 AM and reconvened at 10:10 AM.

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 9 through 11 were adopted unanimously.

##### 9. Supplemental Appropriation of \$220 Million in Bond Proceeds for Infrastructure Projects Including but Not Limited to the BART Extension to SFO

No. 97-0281

Resolution providing for a supplemental appropriation of \$220 million in bond proceeds for infrastructure projects including but not limited to the BART Extension to SFO.

Mr. Martin reminded the Commission that it previously approved a bond sale of up to \$220 million for the BART project. This supplemental appropriation is necessary to expend those funds. The bonds have not yet been sold. Staff will return within the next two months on the planned sale schedule. We have provided flexibility in the wording of the resolution to allow monies to be used for other infrastructure projects in the event that the cost for the BART project is less than \$200 million.



Mr. Jon Twichell, representing COST, urged fiscal prudence and asked that this item be put over until the ISTEA-1 bill is decided in Congress.

BART does not have the funds to build this project. They are \$666,000,000 short. ISTEA-1, the original authorization bill expired September 30. The \$29.9 million awarded this year has been frozen because there is no ISTEA-2 and this bill does not have to be approved until the middle of next year. It is dead in the Senate. The House can delay that and ask for a six month reauthorization.

The BART full funding grant awards BART zero dollars. It takes back \$190 million that was awarded as part of ISTEA-1 and further indicates that any money awarded is not an obligation of the United States Government and throws BART to the whim of Congress.

The Administration version of ISTEA-2, includes a grant total of \$200 million for new rail starts for the next six years. There is already a line of pending projects that total \$50 billion.

BART continues to say that the government has never reneged on a full funding grant agreement but people need to understand what the agreement says. We have never been in this situation before where there has been a balanced budget amendment before Congress as well.

It is clear that BART does not have money at this time to build this project and is not apt to have a decision about funding for at least six months. The prudent course at this time is to hold these bonds until BART has secured Congressional authorization.

Mr. Norman Rolfe of San Francisco Tomorrow said that he has seen the full funding grant agreement and it does indeed say that the amount of money awarded is zero dollars. This project is not the done deal that a lot of people seem to think it is. He urged the Commission to delay action until BART has the money it needs.

Mr. Martin explained that we are in conformance with our agreement with the airlines and BART to proceed with construction at this time since BART has a full funding grant agreement in hand. It is also timely to begin construction to coincide with our other projects. If we came back at a later date to construct the BART guideway we would have to infringe on our boarding areas and close down gates. We need to build our Light Rail Guideway to keep that project on track. The Light Rail Guideway will go over the BART guideway and be incorporated as one structure. We can't put off the BART infrastructure work. We will not begin work on the equipment portion that we are funding on Airport for BART. That project will not begin until BART has begun work and progressed to some designated point on their Millbrae station. At this point money will only be spent on the guideway structure that will support BART and Light Rail System.

Commissioner Berman assumed that that money would be spent whether BART fulfills its commitment or not.

Mr. Martin explained that in order to make the Master Plan Project work and keep the



projects on schedule we need to begin construction on the BART-related infrastructure as well.

10. Holdover of Marilla Chocolate Company's Boarding Area "A" Retail Concession Lease A-2

No. 97-0282

Resolution authorizing the holdover of Boarding Area "A" Retail Concession Lease A-2, No. 93-0218.

Mr. Bob Rhoades, Acting Deputy Director of Business and Finance explained that this item seeks to holdover the A-2 lease in Boarding Area A. This lease is operated by Marilla Chocolate Company, a WBE. The final option is due to expire in January 1998. Staff has looked at the possibility of rebidding this lease but due to the dramatic changes that have occurred and will be occurring in Boarding Area A we believe that a holdover on a month to month basis is appropriate.

In 1994/95 Marilla Chocolate generated approximately \$1.3 million in gross revenues. In 1995/96 it was \$1 million. There are currently seven gates still in operation in Boarding Area A, however, there is the possibility that we might be able to close additional gates currently occupied by USAirways and Southwest Airlines.

11. Authorization to Commence Selection Process for the North Terminal Concession Opportunity Lease

No. 97-0283

Resolution to: (1) authorize staff to commence the selection process for the North Terminal Concession Opportunity Lease; (2) approve the holdover of Lease No. 92-0304, and (3) rescind Resolution No. 97-0207.

Mr. Rhoades explained that this item seeks approval for three different items ... the first is the rescission of Resolution No. 97-0207 which authorized staff to accept bids for a Boarding Area F North Terminal apparel store. It also authorizes the holdover of the current Boarding Area E Principal Concessionaire, DeDuca Enterprises, from May until September 1998. The purpose of the holdover is to ensure against disruptions during the 1998 peak summer travel period. The third is to hold an invitation/pre-qualification conference for a new lease for the North Terminal. That lease will comprise six facilities with eight different concepts. We are requesting a requirement that proposers have facilities in the Bay Area with a minimum gross sales of \$1 million. This includes Airport locations. The term is for five years. The minimum bid is \$800,000.

We are asking approval to hold the invitation/conference and will return to the Commission for approval to seek proposals and approve the final bid specifications. The Commission will be provided with the results of the proposals and authorization to bid and once again for award of the lease. This lease provides for a 30% M/WBE participation.





Mr. Martin explained that this resolution includes a holdover through the summer months for business reasons. Staff recommends holdovers through the summer months to avoid having a new tenant doing construction work during a peak period. We also holdover leases on a month to month basis where there is construction impact. In the previous item we would only have been able to bid the lease for a two year period which is not an adequate period of time to write off the capital investment.

We like to receive comments from all prospective bidders. The Commission has seen over the years that changes are frequently recommended to bid documents based on the comments received at pre-bid conferences. We will be returning to the Commission at a later date to report on those comments.

Commissioner Berman asked those individuals who wish to address the Commission on this item not to be repetitious.

Ms. Pam DelDuca, President and CEO of the DelStar Group, said that her company is a small business. They meet the FAA requirements of a disadvantaged business enterprise. It took her three years to raise \$8000 to start her first store. Today she has 18 stores. Her sales have gone from \$150,000 to \$18 million. She was the SBA Small Business Person of the Year. Inc. Magazine selected her as the national winner for social responsibility based on what her company does for her employees and her community. DelStar was selected as the best small business in the country.

She is before the Commission today to try to save her business and the jobs and livelihoods of her employees. DelDuca has 32 employees in San Francisco. They are all minority, including the management team.

Her contract for her five stores at SFO makes up 40% of her entire business. She started her business at SFO four years ago and enjoys a wonderful working relationship with the staff. She considers herself a part of the dynamic team of the Airport. In four years she has increased her sales by 109% and has outpaced enplanements by 5 to 1.

She competes on a daily basis with the mega-airport retail companies. She cannot afford the time, the energy, the manpower or the money they use to make their points. She spends her time concentrating on her business and making it happen.

No small business wants to go backwards. Through the years at SFO, leases have been held over or extended for various reasons. She would like to be treated in a like manner. Due to the Master Plan construction her concourse will be greatly affected.

She knows the stores have to go out to bid and does not argue that point. She differs on the timing. She requests that her stores be held over until the new International Terminal opens in approximately 18 months.

She asked Don McCaskin, CFO for the DelStar Group, to present the rationale. He will be followed by Roy Madriaga, her General Manager at SFO who will speak for the rest of the employees.





Mr. McKaskin, explained that the lease in question includes eight stores, seven different concepts and 6000 sq. ft. of retail space. This package is larger than what most small businesses can afford to do. The minimum investment will be approximately \$2 million for construction and inventory. A package of this size eliminates competitors. The only companies with the necessary resources to bid will be the billion dollar mega-airport companies. A small business cannot compete in that arena.

This opportunity will be very confusing to bid on. Four stores will have to be built immediately. In late 1998, four more stores will have to be built as part of the package. In May of 2000 the new International Terminal will open and it is not known what effect this will have on Concourse E.

At this time Concourse E receives a lot of benefit from traffic on D and F. There are over 3 million international passengers that go off from this concourse. There are also some international flights going off of E. A lot was done to merchandise to the international passenger.

When the new International Terminal opens the traffic flow will change. Boarding Area E will be sitting out by itself. He has heard a lot of speculation on what will happen to E but he suspects that it will become a dead end.

There is also speculation that United is proposing to move the security check point. Once people are past security they do not like to go back out. There are too many uncertainties.

He requested the DelDuca lease be held over until the new International Terminal opens in May 2000.

Mr. Roy Madriaga, General Manager of DelDuca Enterprises submitted a letter on behalf of the employees requesting the lease be held over.

Mr. Martin said that he appreciated that DelDuca did their homework on the new leasing opportunity. It is unusual that a company does this much thinking this far in advance on a new leasing opportunity. It is their ability to look to the future that has allowed them to do so well at the Airport.

The comments made today are towards the new leasing opportunity rather than their existing lease. It is important to maintain the integrity of our pre-bid process and to hear from all prospective bidders on lease documents and the way we are putting out a new lease. It would be unfair to take any action now to change the pre-bid package without first hearing from other prospective bidders. Some legitimate comments have been made regarding concerns on the new leasing opportunity. He will be anxious to hear from other potential bidders. The advantage of the pre-bid process allows us to fine tune and improve bid documents.

Commissioner Strunsky assumed that the Commission is simply authorizing a pre-bid conference.



Mr. Martin said that staff will have to return to the Commission for final approval of the bid documents. This is a competitive bid process. Under the new plan, there is an additional step which requires bidders to submit a statement of their plan for operating the concessions and the type of retail facilities they are proposing to make sure that it meets the technical requirements.

Commissioner Strunsky asked if this was an expensive process.

Mr. Martin responded that it is not expensive. We are not asking potential bidders to prepare architectural renderings. They are only being asked to identify retail concepts and the retail partners they will be bringing into their operation so that the Airport can determine if they are meeting our requirements.

Commissioner Berman noted that this is not a situation where DelDuca is being evicted.

Mr. Martin added that if other bidders view this as being an unattractive bid option and refuse to bid because of changes in passenger traffic we will return to the Commission with something dramatically different. He does not anticipate that because we tenants constantly moving at the Airport. Last year alone Southwest, Continental, USAir, and Frontier all moved. American has plans for two additional flights. Western Pacific, also on Boarding Area E, is adding flights. On very short notice we added two United international flights in this boarding area. There are constant changes. We have tried to provide some cushion in this concession opportunity by providing facilities in Boarding Areas F and E so that it is not dependent on traffic from one boarding area. More will be revealed as we continue the pre-bid process.

This is not an eviction. We are extending the lease over the summer months. This is entirely consistent with the way we handle all of our concession leases. It is important that we maintain the integrity of that process. There are a number of other companies that await potential concession bidding opportunities. We always have to have the door open to all prospective bidders and insure a fair process.

Commissioner Strunsky noted that we are not creating a bid opportunity that is only available to big companies.

Mr. Martin said that if he hears that same comment from other bidders he will reconsider return to the Commission. He wants small and middle size companies like DelDuca to be able to bid on the lease.

Commissioner Crayton asked what rescinding Resolution 97-0207 does to this process.

Mr. Martin said that the Commission earlier authorized a bid process for a North Terminal Apparel Store in an area currently occupied by a United 1K Club. For whatever reasons the potential bidders on that space all backed out. He thought that they might have been uncomfortable with the City's regulations. None of the potential bidders were used to dealing with government agencies. We are recommending incorporating that area into this retail concession opportunity.



Commissioner Mazzola assumed that only those companies that are qualified to operate eight stores would be invited.

Mr. Martin responded that anyone can attend a pre-bid conference. We mail invitation to about 200 firms. After receiving comments from prospective bidders the Commission receives recommendations for changes, returns for Commission action on the final lease documents, invites further public comments, then the lease document is sent out. Any firm can submit a statement of their qualifications and retail proposal. Staff then determines if they meet the technical lease requirements and returns to the Commission for approval of the companies that will be allowed to bid. Bids are then accepted and the highest responsible bidder will be recommended to the Commission for award.

Commissioner Mazzola asked if DelDuca is qualified to bid on this package.

Mr. Martin responded that she is.

Commissioner Berman asked if what we are doing is irrevocable.

Mr. Martin responded that this action is not irrevocable. There is no reason that they would move out prior to the September 8 date that has been established. If we get delayed in the process for some reason we might request DelDuca to agree to a further extension. If DelDuca is amendable, the extension would then be brought to the Commission.

Commissioner Quan noticed that the minimum acceptable bid is \$800,000, which is less than what we are currently receiving.

Mr. Rhoades explained that generally we set a fairly moderate minimum bid for the first year of the contract and historically we have come up with bids that are considerably higher. We try to be fairly conservative in order to open up the playing field. The market dictates what the actual annual minimum guarantee will be.

Commissioner Crayton asked what dollar amount we will require for renovating the space.

Mr. Rhoades responded that it is \$150 per sq. ft., the standard for most of our contracts. In some small business set asides it has been as low \$75 per sq. ft. for kiosks for example.

Mr. Rhoades added that our intention is to make this the prelude for the new International Terminal concession program. We are now looking at various designs for framing the concession stores. The investment for the lessee will then be in the improvements inside.

Mr. Martin added that while DelDuca has brought up some very valid concerns regarding the amount of capital investment required, he wants to maintain the integrity of the process and allow all potential bidders to comment before changes are made. Based on what he heard from DelDuca it seems like there may be very good reason to make amendments to what is finally brought to the Commission for bid authorization.





12. Bid Call - Contract No. 5602A - SFIA Employee Parking Facility No. 3 at Plot 7

No. 97-0284

Resolution approving the scope and schedule for Contract 5602A, SFIA Employee Parking Facility No. 3 at Plot 7 and authorizing the call for bids when ready. Work will include construction of an eight level concrete structure providing 1,735 parking stalls and an approximate 1,000 square foot office at the West Field area on Plot 7.

This activity is within the scope of the San Francisco International Airport's Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program's EIR, prepared for the Maser Plan, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that Employee Parking Facility No. 3 at Plot 7 will provide 1,735 parking stalls and approximately 1000 square feet of office space in the West Cargo area. It will serve employees working in the vicinity, including Dobbs, the U.S. Post Office, various air cargo facilities and FOM.

The funding for the project is provided out of the CIP funds with a budget of \$18 million.

The MBE/WBE participation goal is set at 18%/3% respectively.

The estimated construction period is 16 months starting in January 1998.

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 11 through 13 were adopted unanimously.

13. Reimbursement to Japan Airlines for Costs Incurred in Connection with the Near Term Master Plan

No. 97-0285

Resolution approving \$20,369.13 reimbursement to Japan Airlines for costs incurred in connection with the Near Term Master Plan.

14. Modification No. 2 to Consulting Contract with Hood & Strong, LLP for Implementation Phase of the Integrated Business Information System

No. 97-0286

Resolution approving Modification No. 2, in the





amount of \$80,000, for consulting services to the Airport provided by Hood & Strong, LLP, during the implementation phase of the Airport's integrated business information system.

15. Award of Contract No. 3895 - Runway Rubber Removal, 1997 - 1998

No. 9-0287

Resolution to award Contract 3895 Runway Rubber Removal, 1997-1998, to the lowest responsive, responsible bidder, Ackerman & Sons Co., Inc., in the amount of \$204,000.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

The closed session, which was continued to the end of the public meeting, was reconvened at 10:55 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting reconvened at 11:10 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*



L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:12 AM.

  
Jean Caramatti  
Commission Secretary



October 30, 1997

Commissioner Henry E. Berman, President  
Commissioner Roland A. Quan, Vice President  
Commissioner Michael S. Strunsky  
Commissioner Larry Mazzola  
Commissioner Linda S. Crayton  
Airport Commission  
San Francisco International Airport  
P O. Box 8097  
San Francisco, CA 94128

Dear Commissioners:

As employees of Del Duca Enterprises, Inc. we would like you to know how proud we are to work at the San Francisco International Airport. The airport is an exciting place to work especially with the upcoming addition of the new international terminal.

Many of us have been employed by Del Duca Enterprises since they started operating the shops in 1993. Del Duca Enterprises has been an excellent employer giving us great benefits including a 401K plan. We are part of the Del Duca Enterprises family and treat each other with fairness and respect.

We ask that the commission support the lease holdover that Del Duca Enterprises is requesting. We hope that Del Duca Enterprises would be given the same consideration as other concessionaires have been given in the past at San Francisco International Airport.

Del Duca Enterprises has supported us and our families. Our livelihoods and that of our families and our future depend on our jobs with Del Duca Enterprises. If the lease isn't extended, it could be devastating to us, our families and our company.

Please extend the lease holdover for Del Duca Enterprises until the new international terminal opens. Thank you for your consideration.

Sincerely,

Del Duca Enterprises Employees



Del Duca Enterprises Employees

William C. Medeiros  
Juanita Delator

Mary Page

W. Siron

Donangan

Oscar Saffron

Reginald A. Saffron

Samifang

Bo. Jira

John Marshall

Cecilia D. Chis

Armando Alvir

Adam Simon

Mr. Roger N. Kieren

Satya Mond

Frederick

Rebecca P. Zakharov

David M. Longman

Arville G. Garte

William Garte

Leuter E. Rhea





# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**NOVEMBER 18, 1997**

**9:00 A.M.**

**✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO**

**WILLIE L. BROWN, JR., MAYOR**

## **COMMISSIONERS**

**HENRY E. BERMAN  
President**

**ROLAND A. QUAN  
Vice President**

**MICHAEL S. STRUNSKY**

**LARRY MAZZOLA**

**LINDA S. CRAYTON**

**DOCUMENTS DEPT.**

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**JOHN L. MARTIN  
Airport Director**

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128**



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Airport Commission Meeting  
November 18, 1997

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# AIRPORT COMMISSION MINUTES

November 18, 1997

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Roland A. Quan, Vice President  
Hon. Michael S. Strunsky  
Hon. Larry Mazzola  
Hon. Linda S. Crayton

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 7, 1997 were adopted unanimously.

No. 97-0288

\* \* \*

## D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

## E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 and 2 were adopted unanimously.

1. Award Contract 5650B - The Quick Turn Around (QTA) at Rental Car Facility on Lot D - Dennis J. Amoroso Construction Co., Inc./Marinship Construction Services, a J.V.

No. 97-0289

Resolution awarding Contract 5670B, Quick Turn Around (QTA) at Rental Car Facility on Lot D, to the lowest reliable, responsive and responsible bidder, Dennis J. Amoroso Construction Co., Inc./Marinship Construction Services, a J.V., in the amount of \$10,707,000.





This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this contract is to construct the Quick Turn-Around Facilities at the Rental Car Facility on Lot D. The contract covers the RAC support building, fueling stations, car washing and stacking/staging area.

Three bids were received on October 17, 1997. All three joint ventures qualified for a 10% bid preference which did not change the ranking of the bids. Lawrence Construction/West Bay Builder's bid included a subcontractor's list that listed only 5 of the 10 subcontract bid amounts rendering the bid non-responsive. The J.V. acknowledged this fact and did not submit a protest.

The lowest responsive, responsible bidder is the D.J. Amoroso/Marinship J.V. whose bid contains 13.15% MBE and 5.91% WBE subcontractor participation. The Human Rights Commission and Airport staff concur that the J.V. is eligible for the award.

The \$10.7 million bid is within the \$15 million budget. The contract duration is 238 days.

2. Modification No. 5 of Professional Service Agreement - Contract 5500 - International Terminal

No. 97-0290

Resolution authorizing Modification No. 5 of Professional Service Agreement, Contract 5500 with Skidmore, Owings & Merrill/ Del Campo & Maru/Michael Willis & Associates, Joint Venture Architects in the amount of \$5,496,607.

This modification is needed to increase the services of SOM/DCM/MWA for concession changes, airline changes, Security and Special Systems changes, BART Link changes, Fast Track contracts, Baggage System delays, and the Resident Project Representation Services required to mitigate the impact of each change.

Mr. Kardos explained that this modification covers design and field representation services necessitated by the concession space expansion in the International Terminal, the functional changes in the International Terminal initiated by the airlines, the changes associated with the rough-in of security and special systems conduits, the BART link building addition, and the changes associated with the delay caused by the rebidding of the baggage system contract.



The total amount of the proposed modification is \$5,496,607. That amount breaks down to \$2,453,239 for concessions, \$1,282,982 for airline changes, \$856,732 for Security and Special Systems, \$645,467 for the BART link and \$258,187 for the baggage system.

Funding for the individual task groups will be provided for concessions from non-Master Plan capital improvement funds; airlines changes will be provided from Master Plan management reserve; Security and Special Special Systems from Master Plan bid underruns; the BART link from the \$113 million Airport contribution to BART; and, the baggage system from Master Plan Management Reserve.

The negotiated amount of this modification has been included in our program forecast at completion figure which is within the overall baseline budget with \$19 million to spare.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 3 through 11 were adopted unanimously.

3. Award of Agreements for Scheduled Bus Service Between San Francisco International Airport and Downtown San Francisco

No. 97-0291                      Resolution awarding agreements to SFO Airporter and Wharf Airporter for the scheduled bus service between San Francisco International Airport and downtown San Francisco.

Mr. Martin explained that operational problems Wharf Airporter is currently experiencing will prevent them from operating the Civic Center/Wharf run. He asked the Commission to award the agreement to provide services to the Union Square/Financial District /Convention Center areas to SFO Airporter and to reconvene the process to re-bid the Civic Center/Wharf run.

4. Modification No. 2 to Professional Services Contract 5602.1 - Design of Employee Parking Facility No. 3 at Plot 7

No. 97-0292                      Resolution approving Modification No. 2 to Professional Services Contract 5602.1 with Walker Parking Consultants/Engineers, Inc. in Association with Kwan Henmi Architecture/Planning, Inc. in the amount of \$61,323 for the design of the SFIA Employee Parking Facility No. 3 at Plot 7 to incorporate revisions to the final design of the facility.

The modified contract amount of \$1,148,543 is within the approved project budget.

Mr. Kardos explained that this Professional Services Contract covers the design of the



employee parking facility at Plot 7. Modification No. 1, approved by the Commission in April, 1997, increased the contract to cover services associated primarily with the addition of 148 parking spaces.

This modification provides for the upgrade of the facility's emergency power and lighting standards by adding an emergency diesel generator, as well as for the modification of the facility's office space.

Modification No. 2 brings the amount of the contract with Walker Parking Consultants In Association with Kwan Henmi Architecture to \$1,148,543. Adding the \$5,689 OCIP charge to this amount brings the contract cost to \$1,154,232 which is within the \$1,154,000 budget for the contract.

The MBE/WBE participation will be 21%/11% respectively as compared to the 17%/5% goals respectively.

5. Rescind Award of First Bank National Association Automated Teller Machine (ATM) Lease and Amend Award of Wells Fargo Bank, N.A. Automated Teller Machine (ATM) Lease

No. 97-0293

Resolution approving the rescission of Resolution No. 97-0242 awarding Automated Teller Machine (ATM) Lease to First Bank National Association and amendment of Resolution No. 97-0241 to add five ATM locations to award of Automated Teller Machine Lease to Wells Fargo Bank, N.A.

Mr. Rhoades explained that the Airport conditionally awarded three Automated Teller Machine Leases, each providing the awardee with five ATM locations, to Bank of America, Wells Fargo and First Bank National Association. Each award was subject to a determination by the Human Rights Commission that the awardee is in compliance with Chapter 12B and 12C of the Administrative Code. Bank of America and Wells Fargo have been determined to have met the condition of the award. First Bank National subsequently informed us that it will not comply with the Administrative Code provisions.

As provided under the bidding guidelines, Bank of America was offered the remaining locations but declined them. Wells Fargo was then offered the locations and accepted. This will increase their base rent from \$90,480 to \$180,960 for ten locations.

Item Nos. 6 through 9 were called together and adopted unanimously.

6. Authorization to Receive Bids - Boarding Area "F" Newsstand

No. 97-0294



7. Authorization to Receive Bids - North Terminal Speciality (Discretionary) Store Lease

No. 97-0295

8. Authorization to Accept Bids - North Terminal Candy Cart/Kiosk Lease

No. 97-0296

9. Authorization to Receive Bids - Cellular Phone Rental Service Lease

No. 97-0297

\* \* \*

G CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 12 and 14 through 19 were adopted unanimously. Commissioner Quan was recused from voting on Item No. 13 due to a conflict of interest. Item No. 13 was adopted unanimously.

10. Modification No. 3 to Contract No. 5900C - Piles, Pilecaps and Columns

No. 97-0298

Resolution approving Contract Modification No. 3 to Contract 5900C, Piles, Pilecaps and Columns of the Elevated Circulation Roadways with Condon-Johnson & Associates, Inc., to perform additional construction work tasks in the amount of \$867,828.

The additional work tasks include transfers of scope from other projects and Contract No. 5900C miscellaneous work tasks that are within the approved budget and scope of the Near Term Master Plan Program.

11. Reimbursement of Unamortized Improvements to British Airways Lounge

No. 97-0299

Resolution authorizing reimbursement to British Airways for the remaining value of the unamortized improvements associated with construction costs and furniture acquisition for the VIP Lounge in the not to exceed amount of \$260,000. The actual reimbursement will be based upon the May, 2000 opening date of the New International Terminal.

12. Bid Call - Contract No. 5521A - Boarding Area "G" Apron





Resolution approving the scope, schedule and budget for Contract No. 5521A, Boarding Area "G" Apron, and authorizing the call for bids when ready.

The project is part of the new International Terminal Complex which is covered under the Master Plan. The Master Plan was the subject of a Program Environmental Impact Report ("EIR") which was prepared by the City and County of San Francisco Department of City Planning, Office of Environmental Review, and certified by the San Francisco Planning Commission on May 28, 1992, all in accordance with the requirements of the California Environmental Quality Act, Cal. Pub. Res. Code Sects. 21000 et seq ("CEQA") and Chapter 31 of the San Francisco Administrative Code.

The purpose of this contract is to provide for construction of the Boarding Area G aircraft apron. The two-million sq. ft. apron consists of twelve jumbo/wide body aircraft parking positions, aircraft taxi lanes, three Remote Overnight (RON) aircraft parking positions, taxi lane lighting and underground utilities.

13. Modification No. 15 to Legal Services Agreement with Law Firm of Morrison & Foerster

No. 97-0301

Resolution approving Modification No. 15 to legal services agreement with law firm of Morrison & Foerster relating to the Airline Lease/Master Plan Contract to increase compensation in the amount of \$500,000.; all other terms and conditions to remain in full force and effect.

14. Award Contract 3568 - North Terminal Carpet Replacement - Resource and Design, Inc.

No. 97-0302

Resolution awarding Contract 3568, North Terminal Carpet Replacement, to Resource and Design, Inc. in the amount of \$1,461,132.

15. Aarons' Concession, Inc.'s North Terminal Newsstand - One-Year Extension

No. 97-0303

Resolution authorizing the exercise of the one-year extension option of Aarons' Concessions, Inc.'s North Terminal Newsstand Lease.

16. Modification No. 13 of United Air Lines Lease and Use Agreement No. 82-0126



No. 97-0304

Resolution modifying United Air Lines, Inc.'s Lease and Use Agreement No. 82-0126 to modify the exclusive use of space in the North Terminal.

17. Delta Air Lines, Inc. Lease No. PUC 67-0214 - Renewal of Sublease to Airport

No. 97-0305

Resolution approving renewal of sublease of office space to Airport from Delta Air Lines, Inc. under Lease No. PUC 67-0214 and authorize the Airport to make a one-time not-to-exceed payment of \$190,000 which will be returned to the Airport in the form of rent abatement.

18. Authorization to Accept Bids - Garage Taxi Staging Area Mobile Catering Leases "A" and "B"

No. 97-0306

19. Modification No. 4 to Legal Services Agreement with Law Firm of Ruiz & Sperow (Formerly Known as Ruiz & Schapiro)

No. 97-0307

Resolution approving Modification No. 4 to Professional Legal Services Agreement between Ruiz & Sperow (formerly known as Ruiz & Schapiro) and the Airport Commission to increase compensation by the amount of \$100,000; all other terms and conditions of the contract to remain in full force and effect.

\* \* \*

II NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. Richard McDonald, attorney representing Schindler Elevator Corporation, asked the Commission to recalendar the award of Contract No. 5600F, Escalators and Moving Walkways for the Ground Transportation Facilities, in light of Schindler Elevator's bid protest. (See letter attached dated November 12, 1997.)

Ms. Mara Rosales, Airport General Counsel, said that she spoke at length with Mr. McDonald regarding the Schindler Elevator Corporation bid protest and remains unpersuaded by his arguments. There is no merit to Schindler's protest.



Further, this issue was discussed at length at the November 4 meeting. She recommended that the Commission not calendar this item for reconsideration.

Commissioner Berman asked Ms. Rosales if she would meet with Mr. McDonald again to go over this issue.

Ms. Rosales responded that she would be happy to.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The closed session was convened at 10:05 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.


Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

The meeting was reconvened at 10:30 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:31 AM.

  
Jean Caramatti  
Commission Secretary



THELEN, MARRIN, JOHNSON & BRIDGES LLP

ATTORNEYS AT LAW

SAN FRANCISCO  
LOS ANGELES

SEVENTEENTH FLOOR  
333 WEST SAN CARLOS STREET  
SAN JOSE, CALIFORNIA 95110-2701  
(408) 292-5800

NEW YORK  
SAN JOSE

RICHARD O. McDONALD

FAX (408) 287-8040

November 13, 1997

VIA HAND DELIVERY

Henry E. Berman, President  
San Francisco International Airport Commission  
San Francisco International Airport  
International Terminal Floor 5  
San Francisco, California 94128

Re: Airport Contract 5600.F  
Schindler Elevator Corporation's Bid Protest

Dear Mr. Berman:

I represent Schindler Elevator Corporation, whose apparent low bid on the subject contract was rejected by the Commission at its November 4, 1997 hearing based on a protest filed by the number two bidder, Montgomery KONE. Yesterday, November 12, 1997, my office submitted the attached bid protest by hand delivering same to Gretchen Nicholson, Esq., with facsimile copies to Jean Caramatti, John Martin, Mara Rosales, Esq. and project manager Michael Allen. Montgomery also received the protest letter.

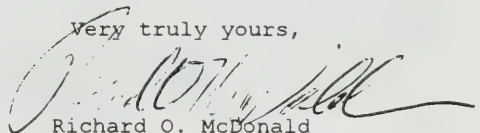
I was advised this morning by Ms. Caramatti that she did not receive our submittal yesterday, and she was unable to include this bid protest on Tuesday's agenda.

This is to reiterate Schindler's request to be added to the agenda for Tuesday's meeting, but in the event that is not possible, I wanted to notify you directly of Schindler's bid protest and of Schindler's intention to appear on Tuesday to raise these issues and request that the matter be considered on an emergency basis, or, in any event scheduled for hearing at the Commission's meeting scheduled for December 2, 1997.

I regret any inconvenience this may have caused to the Commission staff, but my client feels that its protest is well taken and that it should be considered by the Commission at the soonest possible time. I am hand delivering this letter and the accompanying protest letter today to each of the Commissioners.

Please feel free to call me if you have any questions.  
Thank you for your consideration.

Very truly yours,



Richard O. McDonald

ROM:val:51309

Enclosure

cc: Jean Caramatti (via hand delivery w/enclosure)  
Gretchen Nicholson (via hand delivery w/enclosure)  
Montgomery Elevator (via facsimile w/enclosure)





November 12, 1997

VIA MESSENGER

Gretchen Nicholson, Esq.  
Assistant City Attorney  
City and County of San Francisco  
San Francisco International Airport  
International Terminal Floor 5  
San Francisco, CA 94128

Re: Contract 5600.F  
Escalators & Moving Walkways  
for the Ground Transportation Facilities

Dear Ms. Nicholson:

This law firm represents Schindler Elevator Corporation, (Schindler) whose September 10, 1997, apparent low bid on the subject contract (the "Contract") was rejected by the Commission on November 4, 1997, after a protest filed by Montgomery KONE Inc., ("Montgomery") the second low bidder. The Commission upheld Montgomery's protest and awarded the Contract to Montgomery (rather than rejecting all bids) on the grounds that Schindler's bid was "non-responsive." The Commission found that Schindler's bid did not comply with the MBE requirements and that Schindler "failed to establish sufficient good faith efforts to excuse compliance with the 1% MBE/WBE goal in its bid." (See Project Manager Michael Allen's letter to Schindler dated October 31, 1997).

Schindler respectfully requests reconsideration of the Commission's November 4, 1997, decision upholding Montgomery's protest, and requests that the Commission award the contract to Schindler as the responsible bidder submitting the lowest responsive bid. In the alternative, Schindler would urge the Commission to exercise its discretion to reject all bids and readvertise the project based on the inconsistent and conflicting manner in which its IFB was interpreted in this case by the Human Rights Commission (the "HRC"). Please also consider this a timely protest of the award to Montgomery pursuant to Paragraph 14 of the Instructions To Bidders.



Pursuant to my discussion this morning with Ms. Caramatti, we request an opportunity to present these issues to the Commission at its November 18, 1997 meeting, in which we will be in attendance.

The basis for Schindler's request for reconsideration and protest is that an award to Montgomery would contravene both state law and the City's MBE ordinance because it would defeat the objective of minority participation, and further defeat the objective of securing the best work at the lowest price practicable. In addition, as the apparent low bidder, Schindler was entitled to have its offer of proof relative to its MBE attainment considered by the Commission.

As set forth in Schindler's October 8, 1997, letter to Michael Allen and the revised Document 00430 (Subcontractor List), enclosed therewith, Schindler at all times prepared and submitted its bid based on using Mutual Express Company, a certified MBE firm, for \$190,000 worth of services, thus exceeding the 1% MBE goal by a comfortable margin. Through inadvertence and clerical oversight, Mutual Express's name was left off the original list. The original list included only Megan Morse, a contractor who was mistakenly believed to be certified by the HRC.

The HRC, in its October 21, 1997, letter, refused to accept Schindler's subcontractor list with Mutual Express, even though Schindler's actual, internal list of subcontractors and its actual construction bid at all times included Mutual Express and Mutual Express' bid figures.

The HRC considered the original bid to be "non-responsive" and found the Form 2B was "incomplete" despite the fact that the Good Faith Efforts Form 2B was duly executed by Schindler. Form 2B was signed and submitted by Schindler and thus the bid was "complete" and therefore it was "responsive" notwithstanding the problem with Megan Morse's certification (its application was pending).

Schindler's attainment of MBE goals is more properly characterized as a responsibility issue, and, as such may be cured by performance. Responsiveness is determined at the time bids are opened -- without resort to extrinsic evidence. Taylor Bus Service, Inc. v. San Diego Bd. of Education (1987) 195 Cal.App.3d 1331, 1342; Domar Electric, Inc. v. City of Los Angeles (1994) 9 Cal.4th 161, 175-176. Responsibility, on



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the other hand, includes the attributes of trustworthiness, as well as quality, fitness and capacity to satisfactorily perform the proposed work. City of Inglewood-L.A. County Civic Center Authority v. Superior Court (1972) 7 Cal.3d 861, 867.

The HRC staff and the Commission approached this issue as one of responsibility even in the bid documents. The HRC and the Commission considered post-bid-opening extrinsic evidence on MBE/WBE participation in this case, including the HRC Form 3 Compliance Affidavit -- "to be completed and signed by apparent low bidder after bid opening;" the HRC Form 6 Affidavit -- ditto; the Instructions to Bidders at ¶9 -- "Prior to award, the apparent low Bidder and its subcontractors will be required to attend a meeting with representatives of HRC to formulate an Affirmative Action Program toward Equal Employment Opportunity." This process as described in the bid documents themselves is necessarily a process of determining responsibility rather than responsiveness.

As an issue of responsibility, it is entirely appropriate to allow Schindler to cure the alleged irregularity by offering its performance. Mr. Allen's October 31, 1997 letter refers to Schindler's alleged "failure to establish" its good faith efforts to comply with the MBE goals. Clearly this is a matter of responsibility. But when Schindler sought to submit a revised Subcontracting Form to accurately depict its MBE/WBE subcontracting program, i.e., to prove up its responsibility, the HRC refused to consider this offer to cure by performance. It is respectfully submitted that refusing even to consider this evidence, and awarding in favor of Montgomery, is an abuse of discretion.

The HRC and the Commission policy and practice over the recent months fortifies the conclusion that MBE attainment is an issue of responsibility. This is demonstrated by the record of the "People Mover" case. Months after bid opening, the HRC staff gathered extensive extrinsic evidence regarding the bona fide or sham nature of Mitsubishi's MBE/WBE subcontracting program, and ultimately concluded that much of it was a sham. See Judge Cahill's February 10, 1997, order at pages 4 and 5. Actions speak louder than words, and the actions of the HRC staff demonstrate that compliance with MBE/WBE goals is a matter of responsibility, not responsiveness, and thus may be cured by performance.





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In Domar Electric, Inc. v. City of Los Angeles (1994) 9 Cal.4th 161 at 173, the Supreme Court of California adopted McQuillan On Municipal Corporation's pragmatic approach to public contracts, observing "[c]ompetitive bidding provisions must be read in the light of the reason for their enactment, or they will be applied where they were not intended to operate and thus deny municipalities authority to deal with problems in a sensible, practical way . . . Thus, [laws] requiring competitive bidding are not to be given such a construction as to defeat the object of insuring economy and excluding favoritism and corruption."

Here, in its October 21 refusal to accept Schindler's proof of its responsibility, the HRC has given the Minority/Women/Local Business Utilization ordinance such a construction as to defeat both the objective of increasing MBE and WBE participation in public contracts, and the objective of insuring economy in public contracting.

Recently, in a similar case, Ghilotti Construction Co. v. City of Richmond (1996) 45 Cal.App.4th 897, Justice Parilli of the First District affirmed the City of Richmond's refusal to exalt form over substance. The City of Richmond's Invitation for Bids contained an anti-broking provision limiting subcontracting to 50%. The low bidder's bid indicated 55.5% subcontracting. The City allowed the low bidder to recast his bid to show that it would actually subcontract less than 50% of the work. The First District relied upon McQuillan on Municipal Corporations and the Supreme Court's opinion in Domar to uphold the City's common-sense approach.

We are, of course, familiar with Judge Cahill's February 10, 1997, order in the "People Mover" case. However, in that case there were substantive deficiencies in low bidder Mitsubishi's MBE subcontracting program. Here, there is no question that, if allowed to proceed, Schindler will fully comply with the MBE/WBE goals; the problem is merely procedural, and the Ghilotti decision indicates that the First District would likely look with disfavor on the HRC's refusal to accept Schindler's undeniable proof of responsibility, particularly in light of the problems with Montgomery's responsibility.

If the award to Montgomery is allowed to stand, the Commission will pay an additional \$2.7 million for *less bona fide* minority participation than if the contract were awarded to the apparent low bidder Schindler. This is because Schindler's bid was based upon utilizing Mutual Express, a *bona fide* MBE, for





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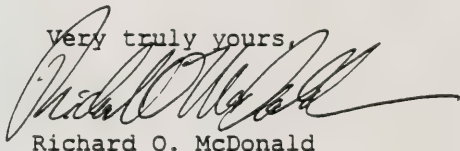
\$190,000 worth of services, which Mutual Express would perform with its own people.

On the other hand, if the award to Montgomery is allowed to stand, the bulk of Montgomery's MBE/WBE work (\$168,000) will go to an entity known as "D&D, The Elevator Company." D&D is a partnership of Rodney Lawrence Davidson and Jayme Eduardo DeSenna, which purportedly operates out of a 600 square foot facility at 1555 Yosemite Avenue, Unit 13, San Francisco 94124. According to the California State License Board, D&D is "exempt" from workers compensation insurance, possibly suggesting it has no employees. If one compares the amount of work Montgomery proposed for D&D in its bid (\$168,000 to install escalators) with the amount another bidder, Thyssen, proposed for D&D (\$30,000 for the same work) it suggests that D&D should be carefully evaluated by the HRC as a possible "pass-through" subcontractor. If the HRC Executive Director were to submit D&D to the close scrutiny which she applied to Mitsubishi's proposed MBE's in the "People Mover" case, she might very well find that D&D would function as a pass-through, for which only 5% credit would be due. Clearly, this is an issue of responsibility.

In view of the above, the Commission should grant Schindler's request for reconsideration, and award the Contract to Schindler as the lowest responsible and responsive bidder. Alternatively, to avoid the potential of protracted litigation, and to save the expenditure of additional time and resources by all parties, the Commission should consider exercising its discretion to reject all bids and readvertise Contract 5600.F. This option would not delay any work based on the schedule.

thank you for your consideration of this matter.

Very truly yours,



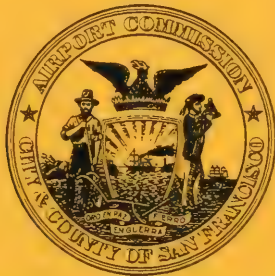
Richard O. McDonald

cc: John L. Martin (by facsimile (415) 794-5005)  
Jean Caramatti (by facsimile (415) 794-5005)  
Mara Rosales, Esq. (by facsimile (415) 876-8829)  
Michael B. Allen (by facsimile (415) 794-5005)



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1/97

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

DECEMBER 2, 1997

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO  
WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



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December 2, 1997

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Tuesday, December 2, 1997

ORDER OF BUSINESS

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428 of the War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Larry Mazzola
	Hon. Linda S. Crayton

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 4, 1997 were adopted unanimously.

No. 97-0308

\* \* \*

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item nos. 1 through 4 were adopted unanimously.

1. Airport Master Plan Program Construction Management Services for 1998

No. 97-0309 thru  
No. 97-0320

Twelve resolutions approving modifications to professional services contracts for construction management of the Airport Master Plan Program. Resolutions also approve annual funding for 12 construction management consultants totaling \$38,760,000.



<u>MOD. NO</u>	<u>CONSULTANT</u>	<u>1998 FUNDING</u>
Mod. No. 4	SFO Associates (Parsons/AGS/EPC/BDI, J.V.	\$12,800,000.00
Mod. No. 3	Lehrer McGovern, Bowis F.E. Jordan/Cabellon Assoc.	2,300,000.00
Mod. No. 3	Morse Diesel/Arcost/Cornerstone Conciliium/Lee-Trenchard	2,500,000.00
Mod. No. 3	PGH Wong Engineering/Luster Construction Management	1,700,000.00
Mod. No. 3	Turner Construction/The Allen Group CPM Services	4,800,000.00
Mod. No. 2	Holmes & Narver/Arcost CPM Group/F.E. Jordan	5,580,000.00
Mod. No. 3	Day & Zimmermann/Cabellon/Mendoza Associates	1,580,000.00
Mod. No. 3	Brown & Caldwell/Beyaz & Patel	500,000.00
Mod. No. 3	Morrison Knudsen/AGS/Luster Construction Management	1,000,000.00
Mod. No. 3	Luster Construction Management/GKO	5,320,000.00
Mod. No. 1	O'Brien-Kreitzberg, Inc.	180,000.00
Mod. No. 2	Don Todd Associates, Inc.	500,000.00

Mr. Jason Yuen said that the peak in construction will occur in 1998. To date the Commission has awarded \$1.3 billion in contracts. By the end of 1998 the Commission will have awarded \$1.8 billion in projects.

Whether these projects come in, whether they are scheduled, if the final product meets the Commission's standards, or if they are on time or within budget is dependent on the management teams. These management teams consist of one Airport Project Manager and a team of professional construction management firms on contract with the Airport.

In 1995 and 1996 the Commission awarded 14 contracts to construction management firms. All of these contracts are for the duration of the projects and are funded on an annual basis. Each year the Commission receives requests for funding for the next 12 months. This item covers funding for 12 of the 14 contracts. The remaining two do not need funding for 1998.

The amount of each contract needed for 1998 is listed in the memorandum to the Commission. The total amount is \$30,760,000, slightly less than the funding 1997. It is also within the overall budget adopted by the Commission for management of the Master Plan Program.

These are on-demand contracts. Funds are expended for these contracts is solely within the discretion of Airport staff. Staff controls the services required.

In addition to the funding, staff is proposing to modify the contracts to delete most of the reimburseable expenses allowed within the present contract. Each time the consultant purchases supplies they are required to submit a receipt and wait for reimbursement. This utilizes a lot of staff time in paperwork and verification. It also does not encourage cost efficiency. Staff is proposing to delete the reimbursable expenses and add a small amount to the multiplier for the billing rates of the field office personnel. These multipliers currently range from 2.33 to 2.50. The proposed increase will bring the range from 2.40 to 2.60. A net savings of at least \$100,000 is expected.

We are also very proud that the MBE/WBE participation for these contracts is approximately 52%. All consultants meet or exceed the City's goals for MBE/WBE subconsultant participation of 17% and 3% respectively.

Commissioner Strunsky noted that these firms are important in keeping this project on time and within budget. He hoped that in the future we might work together to see what



responsibilities can be imposed on these firms. There is no restraint on these companies if the schedule slips and the budget goes. He hoped that in the future we can look towards a motivating factor where there is some sharing of responsibility with these firms.

Mr. Yuen noted that a lot of jurisdictions are allowing for bonuses for on time/within budget performance. Los Angeles is one example. We are beginning to look at that as an incentive.

Commissioner Berman said that the Commission is not trying to interject itself, either as a body or as individual Commissioners, into the every day operation of the Airport or the construction work, however, the Commission does have a fiduciary responsibility. He agrees with Commissioner Strunsky that these are not small numbers. The Commission is fortunate to have among its members two individuals who have knowledge and experience in construction and financial matters. He would appreciate it if staff would meet with Commissioners Quan and Strunsky. He is confident in the competence of Airport staff but would like to know that the Airport is being built within the budget and on time.

Mr. Martin said that he will take care of it. He added that Airport staff holds the construction management firms accountable and has made it abundantly clear to the firms and to the individuals who work for the firms that if they are not maintaining control over the projects that their contracts will be terminated.

Mr. Martin said that he liked the idea of creating financial incentives for strong performance.

2. Modification No. 2 to Contract 5515.3 - Construction Management Services - Holmes & Narver to Provide Design Support Services

No. 97-0321

Resolution approving Modification No. 2 to Contract 5515.3 with Holmes & Narver, Inc. to provide Design Support Services during construction of the Airport Master Plan Security & Special Systems in the amount of \$4,428,113.

Mr. Yuen explained that normally the Commission awards contracts to cover its duration. This project is unusual because the security system is a turn key operation. The system is state of the art. Eventually the entire Airport will be connected to it. Because it is a turn key operation and we do not know who the vendor will be until the bids are received and the contract is awarded, we do not know the scope of services needed for design and construction.

This modification will increase the scope of work to include the services needed during construction so that the design team can work with the vendor to develop and install the system.

Commissioner Quan noticed that this is the final phase of the project.

Mr. Yuen responded that it is.

Commissioner Quan assumed that there would be no other modifications to the contract.





Mr. Yuen responded that there should not.

Commissioner Strunsky asked if we are faced with performance specs for a system that already exists. Are we creating something new with a potential for problems or is this performance specification equivalent to something that already exists elsewhere.

Mr. Yuen responded that this is not Denver Airport. The system already exists but is being modified to serve the Airport's needs.

Commissioner Strunsky asked if there will be new technology.

Mr. Jim Southard, Project Manager, explained that the hardware is well proven. The software is being modified to meet our operational needs.

Mr. Martin added that it is state of the art but it is also tried and tested technology. That is the standard we are using on all of the systems at the Airport.

Mr. Southard explained that this system has been in application at other airports. We will produce the system for the Airport off-site, test it and verify the functions before it is installed.

3. Award of Co-Bond Counsel Contract to Orrick, Herrington & Sutcliffe as Lead Counsel and to Pamela S. Jue, Leslie M. Lava and Lofton, DeLancie & Nelson, as Rotating Co-Bond Counsel and Disclosure Counsel

No. 97-0322

Resolution awarding a three-year Co-Bond Counsel Contract to Orrick, Herrington & Sutcliffe, as Lead, and to Pamela S. Jue, Leslie M. Lava and Lofton DeLancie & Nelson, as rotating Co-Bond Counsel and Disclosure Counsel in the sum of \$2,125,000 for fees and expenses.

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that the contract with Orrick, Herrington and Sutcliffe and Pamela S. Jue expires on December 31, 1997. The Airport received 19 proposals in response to its RPF. After reviewing the proposals, six firms were interviewed. Based on the interviews, the legal division and Business and Finance is recommending Orrick, Herrington & Sutcliffe as lead counsel and Pamela S. Jue, and Leslie M. Lava, both WBEs, and Lofton, DeLancie & Nelson, an MBE, as rotating Co-Bond Counsel and Disclosure Counsel.

In order to create an incentive for the counsel to be efficient and cost efficient, a fee target of \$140,000 was established for each fixed rate for Airport revenue bond financing. If the fees are less than a firm's target, the firm will receive one-half of the savings. Conversely, if fees exceed a firm's target, counsel will receive only one-half of the excess. The Airport reserves the right to evaluate and readjust the fee target of \$140,000 as necessary. We have also developed a fixed rate of \$25,000 in expenses for each issue that is forthcoming.

Commissioner Berman said that he was pleased to see the inclusion of the caps and conditions.





Commissioner Crayton applauded staff on its selection. She is particularly excited about the amount of M/WBE participation on many of the contracts before the Commission today. He applauded staff's aggressive seeking of M/WBE vendors for the Airport.

Commissioner Strunsky noted that the rate on securities is very low and asked if this might not be an opportunity to review the schedule for the sale of bond issues in order to take greater advantage of the market.

Mr. Martin said that we are significantly accelerating our bond sale schedule. We will be selling a \$500 million issue in mid January. This will be the largest sale in the Airport's history. We have several other issues behind that over the next five months period. We will have over \$800 million that will be sold over a six month period.

The rates are about 5-1/2% as compared to 6.1% on our financial projections for the Master Plan. It makes sense to lock in and realize those savings today.

Commissioner Berman noted that our timing on our financing has been most opportune.

#### 4. Month-to-Month Holdover Extension to DFS - North America

No. 97-0323	Resolution approving the holdover extension of DFS - North America's International Terminal duty paid principal concession lease No. 82-0304.
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Mr. Rhoades explained that this item approves a holdover of the International Terminal duty paid lease operated by Duty Free, North America on a month-to-month basis until the opening of the new International Terminal.

In 1993 the Commission authorized the holdover of this particular lease on a month-to-month basis until at that time what was believed to be the opening of the new International Terminal scheduled in 1996. Subsequently, the modification as executed pegged June 30, 1998. Again, that was an adjustment in the Master Plan for the opening of the new International Terminal.

This particular concession comprises almost 10,000 sq. ft. and generates over \$16 million in gross revenues per year. The Airport's rent is \$3.4 million. It has approximately a 40% M/WBE participation rate which generates approximately 25.3% of all sales. A lease of this size would be very difficult to bid for less than five years. In order to protect the revenue stream and ensure service a month-to-month holdover is recommended.

\* \* \*

#### F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 through 7 were adopted unanimously. Item Nos. 5 and 6 were called together. Commissioner Crayton was recused from voting on Item Nos. 5 and 6 due to a conflict of interest. The vote to recuse was unanimous.



Item Nos. 5 through 7 were adopted unanimously. Item Nos. 5 and 6 were called together. Commissioner Crayton was recused from voting on Item Nos. 5 and 6 due to a conflict of interest. The vote to recuse was unanimous.

5. Operator-Assisted Long Distance Service from Public Pay Telephones - Approval to Exercise One-Year Option

No. 97-0324

Resolution exercising one-year option, commencing April 1, 1998, for the Agreement for Operator-Assisted Long Distance Service from Public Pay Telephones with AT&T.

Mr. Rhoades explained that we are currently planning to bundle our communication services into one large contract to be in place when the new International Terminal opens. We are asking to approve the last one year option for long distance service with AT&T.

AT&T currently pays the Airport approximately \$1.4 million in rent a year, based on a per passenger fee.

The second resolution requests the extension of the final one year option for pay phones with Pacific Bell. That lease would expire on December 31, 1998. We are asking for an extension of the additional three months so that it will terminate with the AT&T lease.

Both companies have agreed to a 35% M/WBE participation in the final one year option with Kelly Communications, an MBE operator.

6. Public Pay Telephone Agreement - Approval to Exercise Third One-Year Option. Extend the Agreement Term to March 31, 1999, and Modify the Rental Commission to the Airport

No. 97-0325

Resolution exercising third one-year option, commencing January 1, 1998, for the Public Pay Telephone Agreement with Pacific Bell, approving the extension of the term to March 31, 1999, and modifying the rental commission to the Airport.

7. Request Authorization for an RFP for Investment Banking Services in Connection with an On-Airport Hotel

No. 97-0326

Mr. Rhoades said that it is the Airport's intention to take on the major portion of the financing for the new on-Airport hotel. For that reason we are seeking investment banking counseling to assist us with financing for this new structure.

Commissioner Strunsky asked that staff also consider obtaining the services of a hotel consultant, such as Laventhal and Horwath who have the ability to evaluate the site, traffic and accounting.



G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 8 through 13 were adopted unanimously.

8. Bid Call - Contract No. 5620A - Communications Center Expansion

No. 97-0327

Resolution approving the scope, budget and schedule for Contract 5620A, Communications Center Expansion, and authorizing the Director to call for bids when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

9. Request for \$37,990,313 Supplemental Appropriation of Interest Income to Fund Capital Projects

No. 97-0328

10. Modification No. 6 to Professional Services Contract with Kenyon and Edelstein for State Legislative Advocacy

No. 97-0329

Modification No. 6 to Professional Services Contract for state legislative advocacy with Kenyon and Edelstein to increase the amount of the contract by \$70,000.

11. Award of Sole Source Contract to Provide Noise Impact Contours - Parry Company

No. 97-0330

Resolution authorizing the Director to enter into a sole source contract with the Parry Company to provide noise impact contours on a quarterly basis for use in the Airport's Quarterly Noise Report to San Mateo County and the California Division of Aeronautics. (\$150,000)

12. Award Sole Source Contract to Maintain Data Base of Aircraft Operations - Aviation Data Systems

No. 97-0331

Resolution awarding a sole source contract with Aviation Data



Systems to maintain a data base of aircraft operations at San Francisco International Airport and provide custom software to access and analyze the records, as required to monitor compliance with the noise abatement regulation, Resolution No. 88-0016, and other noise mitigation efforts. (\$408,000)

13. Award of Sole Source Contract to Provide Maintenance for the Airport's Noise Monitoring System - Tracor Applied Sciences, Inc.

No. 97-0332

Resolution awarding a sole source contract with Tracor Applied Sciences, Inc. to provide maintenance for the Airport's Noise Monitoring System, in order to comply with the State's requirement to monitor aircraft noise and calculate the noise impact area surrounding the Airport. (\$291,634)

\* \* \*

H. PUBLIC HEARING:

The public hearing was convened at 9:33 AM and was adjourned at 10:11 AM, there being no further public comment.

14. Hearing on Increased Taxi Access Fees, New Procedures for Non-San Francisco Taxicabs, and Amendment to the Airport Rules and Regulations

Hearing regarding increase in taxi access fees and amendments to Airport Rules and Regulations related to taxicab procedures. The new procedures will require non-San Francisco taxi cabs to utilize the Airport's taxi dispatch system for pre-arranged passenger pick-ups beginning January 1, 1998.

Mr. Martin noted that this is simply a public hearing and he is not requesting action at this time. He will return to the Commission at a subsequent meeting for approval to increase the rate to \$2.75 proposed for January 1, 1998, \$3.00 on January 1, 1999 and \$3.25 on January 1, 2000. This fee will also be applied to non-San Francisco taxicabs.

The non-San Francisco taxicabs have become a problem in their illegal solicitation on the upper level roadway. They are claiming they have pre-arranged passengers but, in fact, on many occasions staff has found that no pre-arranged pick ups exist. Non-San Francisco cabs will be required to go to our taxi staging area and wait for a requested service. We think that this will result in improvement to the level of service.

Mr. Ralph Jacobson, Yellow Cab Company said that there are several other people who turned in their requests ahead of him. Further, he is unclear with the meaning of the item.

Mr. Martin explained that the Commission Secretary can provide copies of the item. He said







that the amendment to the Rules and Regulations establishes the new rates and provides that non-San Francisco taxicabs must follow the same procedures as San Francisco taxicabs

Mr. Mark Gruberg, Yellow Cab Company/United Taxicab Workers said that the United Taxicab Workers generally supports the proposed regulations for non-San Francisco taxicabs. There have been problems with non-San Francisco cabs waiting on the upper level, often pretending to have pre-arranged fares. This should help resolve the problem.

San Francisco taxis should have the same opportunity to make pre-arranged appointments as Peninsula cabs. He received a letter from Mr. Martin indicating that staff would look into it.

Mr. Gruberg said that Mr. Martin's letter addresses the fee increase as well. Mr. Gruberg's letter also indicated that the fees being charged to San Francisco cabs are way out of line. They are among the highest in the country. By the year 2000 cabs will be charged \$3.25 and that would put them out of line with most major airports.

This is a tremendous burden on taxicabs. The taxi fees are paid by the driver, not the company. Half of the revenue earned by the driver goes to the company. Twenty percent or more of the driver's net revenue per trip will go to pay that fee.

San Francisco cabs can be divided into two groups ... those that primarily serve the Airport and those that serve the City. Those that serve the Airport are generally smaller cab companies and those that primarily serve the City are generally larger companies. The cabs serving the Airport usually do 5 or 6 trips a day. These drivers are already paying approximately \$3,000 a year in fees to the Airport. That will go up by at least \$1,000 should the new rates go into effect.

The drivers that primarily serve the City frequently come to the Airport with passengers. Those drivers have the option of staying at the Airport or going back to the City. If they go back to the City they waste a trip by going back empty. If they go into the Airport lot they have to wait for a fare. If the fee goes up it will discourage drivers from staying at the Airport. That is the kind of trip the Airport should be discouraging.

He is a member of the Mayor's Taxi Task Force and among the issues that have been discussed were a variety of ideas to discourage cab drivers from using the Airport, the belief being that if cabs weren't coming to the Airport there would be more cabs available in town. Airport Administration opposed any suggestion that would discourage the use of the Airport by cab drivers because the new International Terminal will increase business. However, this proposal will discourage trips to the Airport.

Commissioner Berman asked Mr. Gruberg if his comments have been put in writing for Airport Administration.

Mr. Gruberg said that he has.

Commissioner Strunsky believed that Mr. Gruberg's concern that the drivers would be completely responsible for the fee was an issue for the drivers, the drivers association and the cab companies, not the Airport.



Mr. Gruberg said that the problem is that there are no negotiations and no possibility of negotiations at this point between the cab drivers and the cab companies. There is no way that a cab driver can get the cab company to share in those costs. One alternative would be for the Airport to charge part of the cost directly to the companies, but that has not happened.

Commissioner Berman noted that Commissioner Strunsky makes a good point, however, the Commission will take note of it. It is the Commission's responsibility for the increased fare but we should also be in a position to be able to help negotiate a fair allocation of the charges.

Commissioner Mazzola thought these fees were passed off to the customer.

Mr. Gruberg responded that there is no pass off to the customer. The Airport suggested earlier that part of the fee be passed off to the customer.

Commissioner Mazzola asked if the fee was currently \$2.00.

Mr. Gruberg responded that it is \$2.50.

Commissioner Mazzola said that he took a cab out of the Airport last week and it already had \$2.00 on the meter. He thought it was the fee for the Airport.

Mr. Gruberg explained that as soon as a passenger enters the cab the driver drops the meter and it registers \$1.70. If the cab sat there for a minute it would go up to \$2.00.

Commissioner Mazzola asked if that \$1.70 was put on the meter as part of the fee.

Mr. Gruberg responded that that \$1.70 applies to any fare whether it is at the Airport or in the City. The money that is paid to the Airport comes out of the driver's pocket. There is no compensation for it.

Mr. Martin proposed to the Mayor's Taxi Task Force that they consider allowing drivers to pass on \$1.00 of the fee directly to the customer. The Taxi Task Force rejected that proposal.

Mr. Gruberg said that what the Airport was proposing was a \$4.00 fee, with a \$1.00 pass through. Now a \$3.25 fee is being proposed. A 75 cent fee was being added on at the expense of the passenger and a large part of the reason why the Taxi Task Force rejected the idea.

Commissioner Berman assured Mr. Gruberg that his comments will be taken into serious consideration.

Mr. Bill Schweitzer, Yellow Cab of San Mateo said that he is the de facto spokesman for representatives of Daly City, Pacifica City Cab, Peninsula Yellow Cab, South San Francisco Yellow Cab and Luxor Cab Company in San Mateo. Together they control the majority of taxi cabs in San Mateo County ... approximately 130 to 175 licensed taxicabs.

They would like to request that the proposal before the Commission to change the upper level pick up for non-San Francisco taxicabs be pulled from the agenda and returned to Airport staff in order to give the the drivers an opportunity to discuss this with Airport staff.



They agree that there is a problem concerning upper level pick ups and the solicitation of customers by unlicensed non-San Francisco taxicabs but they don't feel that the proposal will benefit the consumer or their operations. The Airport appears to want to control the unauthorized solicitation by moving taxicabs to the holding area of San Francisco cabs. They see a problem with that and with being able to connect with their passengers once they exit the terminal.

The information he supplied to the Commission contains two alternative proposals submitted to Airport Landside Operations. Proposal No. 1 would increase the enforcement and control by initiating a system similar to what is currently used by limousines by making companies who want to participate in Airport pick ups a permittee of the Airport. He thinks this is a very workable alternative.

Proposal No. 2 is more in line with what the Airport wants to do and that includes moving the taxis from the upper level to the ground level and the taxi staging area.

Commissioner Berman asked Mr. Martin if staff could sit down and discuss this with Mr. Schweitzer and Mr. Gruberg's group. He asked Commissioner Mazzola if he was willing to participate in these meetings.

Mr. Martin said that he will hold a second meeting with the cab operators, including San Mateo cab companies and Commissioner Mazzola.

Mr. Schweitzer said that the second piece of information he passed out was a communication from Mr. James Schultz who has had service problems in the past. He was appointed by a group of people who have had service problems in the past as well.

Mr. Nathan Dwiri, President and General Manager of Yellow Cab Cooperative in San Francisco, the largest taxi organization in the City, thanked Commissioner Berman for the suggestion to leave the door open for discussion. He hopes to come to a more practical, less expensive approach than we now have.

Mr. Ronald Jacobson, Yellow Cab driver, noted that Commissioner Mazzola inquired about the meter drop. What he saw on the meter was the initial drop charge.

As Mr. Gruberg indicated, they are independent contractors. He did not know how cabs operated in San Mateo County but in San Francisco they lease the cabs, buy the gas and anything over that they take home.

There are a lot of out of town cabs and non-San Mateo County cabs that pick up downstairs on a pre-arranged basis. They park on the inside. He has seen cabs from Fremont, Santa Clara, and Marin County. He has never had a problem with it. There aren't that many.

Limousines pay downstairs before going upstairs to pick up a pre-arranged fare. They are issued a sticker which they hang from the rear view mirror. Non-San Francisco cabs can pay a similar fee, be issued a sticker and park on the arrivals level.





Mr. Jacobson said that the fees come out of the pockets of the drivers. AMPCO oversees the taxi starter system and collects the fees. This past Sunday, the Sunday after Thanksgiving, only one cashier was working during a peak hour of the evening. There were many complaints. Management personnel couldn't understand why there were 50 to 75 people waiting for cabs.

He felt that increased fees for services that aren't being improved on or dealt with are out of line. There is a continuing problem with getting out of the lot. To have these increases and not see improvement in dispatch or cashiers taking breaks at outrageous times during peak hours is not fair. If cab drivers are going to pay more per trip he would like to see AMPCO organize themselves better and provide better service.

Finally, the restroom situation for cab drivers downstairs is atrocious. Half of the restrooms are out of service and have been for two months. The drivers need better service for the money they pay and are about to be charged.

Commissioner Berman asked Mr. Jacobson if he felt his side would be fairly represented by Mr. Dwiri and Mr. Gruberg.

Mr. Jacobson responded that he did not know how many people would be involved.

Mr. Martin said that he cannot legally establish this as a Committee. It must be an open forum. He recognizes that Mr. Gruberg is the head of the union and will be a key spokesman for the drivers, but anyone can attend the meeting.

Mr. Jacobson said that the union does not speak for all of the drivers. He does not belong to the union.

Commissioner Berman asked Mr. Jacobson to relate all of his issues and concerns to Mr. Drury.

Commissioner Strunsky understood Mr. Jacobson to say that there were plenty of taxicabs available but getting through the bottleneck of the fee collection system was what substantially contributed to the long line.

Mr. Jacobson said that that was correct. It was made worse by the fact that the area flights were sold out that night.

Commissioner Strunsky understood that, however, cabs were available but were held back by a gate. He said that he would like to know more about that.

Mr. Martin said that there was a problem and he is meeting with the parking manager on it. It is unacceptable with the rates being charged for public parking and taxicabs.

Mr. Jacobson said that 10:30 PM is typically busy on Sunday, but last Sunday was Thanksgiving weekend and only one cashier was on duty for taxicabs. A second cashier was on a break and eating his dinner in the booth. The booth was closed. AMPCO has been around long enough to know that the Sunday after Thanksgiving is the busiest night of the year.





Commissioner Berman told Mr. Dwiri that Mr. Jacobson was very articulate and appears to know what happens at the Airport. He asked him to establish a line of communication with him to make sure that his concerns are taken care of. His concerns are all germane to what the Airport is trying to do.

Mr. Joseph Gilio, Jr., representing Peninsula Yellow Cabs in the North Peninsula, agreed with Mr. Schweitzer's request for more time to discuss the proposal.

Mr. Bill Lazar, Vice President and General Manager of Luxor Cab Company in San Francisco would like to keep this open forum. He said that it is important for the Airport to provide a viable service to passengers. A solution must be found for the industry. The flow is a problem at the Airport. Traffic is an issue.

Commissioner Berman asked Mr. Martin if Mr. Lazar could be included in representing Luxor.

Mr. Martin said that anyone can attend but he recognizes that certain individuals will be key.

Commissioner Quan noted that non-San Francisco cabs will be charged a fee and asked what that will be.

Mr. Martin said that he does not have a number but will follow up with the Commission.

Unidentified speaker responded that the information he received from Landside indicates that there are approximately 80 to 100 taxi trips a day that currently follow the proper system. He estimates that there are probably another 25 to 75 trips that are scalped out of the system.

Mr. Gilio said that most of the trips they take in the North Peninsula are \$8.00 to \$10.00 trips.

\* \* \*

## I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Commissioner Berman called Mr. Richard McDonald, attorney for Shindler Elevator to address the Commission. He told Mr. McDonald that the Commission can listen to his remarks but cannot comment or negotiate. This issue is in the hands of our attorneys.

Mr. McDonald said that he was before the Commission two weeks ago with a request to be placed on the calendar so that Shindler Elevator could present evidence to the Commission that would enable them to determine that awarding Contract No. 5600F to Shindler would result in a savings to the City and County of \$3 million, would provide higher minority participation and would promote the policy of spreading the work around.

Mr. McDonald explained that two weeks ago they were not on the agenda because of a timing issue.



They could not get their request in promptly. Since then the matter has been referred to Ms. Rosales. He appreciated the time Ms. Rosales and Mr. Kris Cox took with him. Regretably they are still not on the agenda. In his view that is not fair. He asked that he be allowed to present the evidence for the Commission's consideration so that an informed decision on the award of this contract can be made.

He has stood before the Commission on three separate occasions trying to offer information that Shindler is the lowest reliable, responsible bidder for this contract. Each time he has been prevented from presenting that evidence.

He once again requested to be considered as an agenda item rather than be placed under "New Business" where there is no opportunity for interaction and dialogue.

The information submitted to Ms. Rosales is worthy of the Commission's consideration. Five letters have been submitted. Each letter has attempted to point legal authority, business policies, evidentiary matters. None of that information has reached the Commission for consideration. This process must be broken. The lowest, responsible, reliable bidder is here and ready to offer that information to the Commission but there is no way for the Commission to accept it.

Commissioner Berman said that this subject matter will be discussed by the Commission in closed session.

Ms. Rosales said, for the record, that it is incorrect to say that Shindler Elevator Company has not had an opportunity to present its case to the Commission. She mentioned at the last Commission meeting that at the November 4 Commission meeting, where the award of the contract was made, a representative of Shindler Elevator did present the company's view. There was active discussion among the Commissioners. Several questions were asked of staff as well as of Shindler and a representative of Montgomery Kone. The vote was 4 to 1, with Commissioner Mazzola voting no.

The matter has been fully aired before the Commission. The bid protest was presented in a timely manner back then. What you are being asked to do is to reconsider a matter that has been fully aired before the Commission. For that reason she is recommending against placing the matter on calendar again. The award has been made, the contract has been executed and has probably been certified.

None of the authorities presented by Mr. McDonald have persuaded her that her advice was in error. For those reasons she has not been persuaded to advise the Commission to recalendar the item.

Commissioner Berman said that under those circumstances he recommended responding to Mr. McDonald in the fashion that she has today so that he has every opportunity for due process.

Mr. McDonald said that he appreciated the time.

\* \* \*

## J. CORRESPONDENCE:

There was no discussion by the Commission.



J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission recessed its meeting 10:17 AM and reconvened at 10:24 AM and went into closed session.


Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 11:00 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

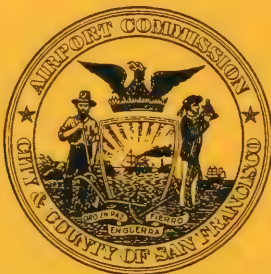
There being no further calendared business before the Commission the meeting adjourned at 11:01 AM to go into closed session.

  
Jean Caramatti  
Commission Secretary



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# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

DECEMBER 16, 1997

9:00 A.M.

✈ ROOM 428 - WAR MEMORIAL BUILDING  
401 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO  
WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

ROLAND A. QUAN  
Vice President

MICHAEL S. STRUNSKY

LARRY MAZZOLA

LINDA S. CRAYTON

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





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Airport Commission Meeting  
December 16, 1997

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## AIRPORT COMMISSION MINUTES

Tuesday, December 16, 1997

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Roland A. Quan, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton

Absent:	Hon. Larry Mazzola
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\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 18, 1997 were adopted unanimously.

No. 97-0333

\* \* \*

### D. DIRECTOR'S REPORTS:

#### 1. Master Plan Construction Traffic Operations Six Month Report

Mr. John Martin, Airport Director, said that staff has been providing the Commission with six month reports on traffic management through the Master Plan. There have been some problems with the construction, but overall staff and the construction team have done an outstanding job in keeping the traffic moving and not causing lengthy delays for passengers.

Mr. Edwin Leung, Senior Traffic Engineer, explained that the Road R-1 traffic lanes will be reconfigured to accommodate construction of the International Terminal, elevated roads, curbs, islands, west of the International Terminal building structure. Temporary columns will be positioned in Road R-1 to support road deck construction.

The vehicle clearance on Road R-1 will be reduced to accommodate the International Terminal soffit work. This ground level ceiling work will include placing fire-proofing, HVAC utilities and baggage handling equipment.



The ART East Loop construction will continue and will require closing the lower level terminal outer roadway lanes from 11:00 PM to 9:00 AM and closing the outer lane 24 hours a day.

The ART construction in the Short Term Parking Garage has required taking approximately 700 spaces from public use. Up to 900 public parking spaces will be lost during the duration of this project.

The ART West Side construction continues on McDonnell Road. To accommodate construction, sections of McDonnell Road have been narrowed to two lanes.

BART/Concourse H construction requires reconfiguring the McDonnell Road/R-18 intersection in January, 1998.

The Elevated Circulation Roadways and Inbound and Outbound Freeway Ramps construction continues. The Inbound/Outbound Freeway Ramp requires intermittent night closures of freeway ramps at U.S. 101/San Bruno Avenue interchange.

Long Term Parking Lot expansion Phases 1 and 2 are completed, increasing the parking supply to 5,800 spaces compared to 3,422 spaces last year. In January 1998, approximately 970 spaces will be lost to construction of the new Lot D cashier plaza, the widening of McDonnell Road and Phase 2 of Rental Car Facility construction.

Garage (Level 4) employee parking areas have been reconfigured to accommodate ART construction.

Road R-6 to the Post Office will be widened in January 1998.

The Plot 7 Parking Garage project will begin in early 1998 and will have no impact on Road R-6.

The North Field Perimeter Roadway project around the North Field Cargo Facility project will begin following the delivery of the International Terminal "football" trusses. No traffic impacts are anticipated.

Mr. Martin said that the higher parking rate structure that was put in place in the parking garage for overnight parking has been effective in shifting demand to the long term lot where more spaces are available. We made it through the Thanksgiving peak without any closures of the long term lot or the garage, the first time in 20 years we have been able to get through the holiday peak.

Starting next summer we will be going to a valet type parking operation on the fifth level of the garage in order to accommodate the peak demand. Cars will be parked bumper to bumper in order to make more spaces available.

Recently we have had problems with people waiting at the curb for taxis. Part of the problem was that the traffic configuratoin shift on the lower level roadway was blocking the access for the taxis to the roadway. We now have a procedure with the Police Department where the





Police Service Aid blocks traffic periodically in order to let the taxis out of the taxi dispatch area.

We have also had some long lines in the exiting the garage. Every exit booth is now staffed about 18 hours a day. We are also going to a new credit card procedure that reduces the processing time from 45 seconds to 15 seconds. In addition, we are also experimenting with cash only lines in the garage.

Commissioner Strunsky noted that staff has handled this very well.

Commissioner Berman agreed. He congratulated Mr. Leung and his staff and told him to keep up the good work.

Mr. Ray Sloan asked for an explanation on how the valet service will work.

Mr. Martin explained that the valet service will be operated much like parking garages downtown. Passengers will go up to the fifth level. AMPCO, in peak hours, will double stack the cars. He expects that this procedure will only be needed during the peaks hours of the day. It will probably capture more of the short term parkers, not the overnight parkers.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

#### F. POLICY:

Item Nos. 2 and 3 were adopted unanimously.

##### 2. Local Business Enterprise Policy

No. 97-0334	Resolution establishing the Airport Commission's Local Business Enterprise Policy.
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Mr. Peter Nardoza, Deputy Director, Governmental Affairs explained that this Commission has a long standing policy of encouraging businesses to participate in the concession program in the Terminal Complex.

The Commission already has on record a Small Business Policy and has worked carefully with the M/WBE ordinance to ensure that minorities are in the program.

The Principal Concessionaire Program requires the prime concessionaire to sublease a portion of the space to small businesses.

Staff feels that it is appropriate at this time for the Commission to adopt a Local Business



Policy. As stated in the Commission's package there are a certain number of disadvantages that a company faces when it is located in the City and County of San Francisco. Rents are high, space is at a premium, and the cost of employees is higher than anywhere else.

This policy will direct staff, whenever appropriate, to set aside a concession opportunity for local business and encourage staff to see to it that smaller emerging local businesses are encouraged to participate.

Commissioner Berman noted that this is in accordance with Administrative Code 12D2 enacted by the Board of Supervisors.

Mr. Martin said that small businesses, especially in the retail area, that have come in to the Airport over the last 15 years have been very successful and have grown to be able to bid on much larger concession opportunities. They have used the Airport as a springboard for pursuing other business opportunities in the Bay Area.

Commissioner Crayton said that she also supports the initiative.

### 3. San Francisco Truckers First Policy

No. 97-0335

Resolution setting forth a "San Francisco Truckers First" policy for the Airport's construction contracts.

Mr. Martin said that Mara Rosales and Airport staff have done an excellent job working with the trucking industry and coming up with ideas on how to better promote trucking opportunities for San Francisco truckers.

Ms. Mara Rosales, Airport General Counsel explained that this proposal encourages and promotes the participation of local trucking businesses in construction contracts at the Airport. Members of the trucking community approached the Airport and the City, raising concerns about their inability to secure trucking work on Airport construction projects.

Staff met with members of the community and the Human Rights Commission representative at the Airport and discovered a variety of issues the Airport could address without going to the Board of Supervisors with legislative proposals.

This policy that would require staff to include in all bid specifications for construction contracts where there are trucking opportunities that prime construction contractors and their subcontractors (which would include brokers) use good faith efforts to use San Francisco trucking firms on Airport contracts. Staff would also be required to assist the trucking firms in obtaining working capital loans under our Surety Bond Program and include in the bid specs a provision requiring our prime contractors to promptly pay truckers providing services on Airport construction contracts.

Ms. Kathy Perry, Human Rights Commission said that the Human Rights Commission supports this resolution and thanked Mara Rosales and John Martin for taking this approach.



Commissioner Quan asked Ms. Perry if there was a definition of a local trucker. Can people from outside San Francisco come in and become local. Would it be practical for us to require that greater than half of their payroll be San Francisco based payroll under the San Francisco gross receipts tax to verify that they are a legitimate San Francisco firm.

Ms. Perry responded that currently the Human Rights Commission has guidelines that establish a local San Francisco business enterprise. She is open to changes that would help minority truckers.

Commissioner Quan understood that under the definition of 12D only a San Francisco address is required.

Ms. Perry responded that the company also has to pay taxes in San Francisco and have a San Francisco business registration.

Ms. Rosales said that she will look at that additional requirement. The Commission can accept the resolution with the caveat that we look into that criterion and, if legally permissible, we can add it to the local business definition. Currently, the manner in which the term "San Francisco" is defined is set forth in the Administrative Code and that definition does not include the provision referred to by Commissioner Quan.

Commissioner Quan asked for the current definition.

Ms. Rosales responded that the current definition of a local business is that besides an address and rent, the company must pay taxes and demonstrate that it has been located in and doing business in San Francisco for six months.

Commissioner Quan asked if the Airport is promptly paying the prime contractors so that they can pay the subcontractors.

Mr. Martin responded that we have a 15 day cycle for paying contractors. Staff will follow up and work with the Human Rights Commission on Commissioner Quan's suggestions.

Commissioner Berman asked that the resolution be adopted with the understanding that it will be fine tuned to cover the concerns raised.

\* \* \*

#### G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 4, 5 and 7 were adopted unanimously. Item No. 6 was adopted by a 3 to 1 vote, with Commissioner Strunsky casting the dissenting vote.

#### 4. Award Contract 5670A - Concourse H/ART Station & North International Parking Garage - Tutor-Saliba Corporation

No. 97-0336

Resolution awarding Contract 5670A, Concourse H/ART Station & North International Parking Garage to the lowest





responsive, responsible and reliable bidder, Tutor-Saliba Corporation, in the amount of \$114,365,500. Of this amount, \$51,426,804 will be funded from the Airport's "up to \$200 million" contribution to the BART-SFO Extension project.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Mr. Bruce Swanson, Project Manager, said that this contract is to construct Concourse H and the North International Parking Garage. Concourse H is an eight story concrete structure consisting of a BART station, an ART station, and provides a direct connection with the International Terminal and the North International Terminal Parking Garage.

The North International Parking Garage is a nine story concrete structure providing 1436 public parking spaces. Also included in this contract is a vehicular bridge between the North and South Garages.

Three bids were received on November 20, 1997. The bids included a base bid and six alternates. Tutor Saliba Corporation was the apparent low bidder with a base bid of \$112,925,500. Along with the base bid amount, staff recommends award of Alternate No. 2, the skylight at the ART station canopy for \$240,000, and Alternate No. 5, the piling for the east end of Concourse H for \$1,200,000.

No bid protests were received.

Last evening staff received an informal response from the Human Rights Commission that Tutor Saliba meets the MBE/WBE subcontractor participation requirement. We expect to receive formal notification within the next two days.

Tutor Saliba's bid is within the Master Plan construction budget. The related BART elements of the project will be funded from the Airport's "up to \$200 million" contribution to the BART-SFO extension project. The contract duration is 930 days (31 months).

He recommends award contingent upon receiving formal HRC approval.

Commissioner Strunsky asked why the added piles were out as an alternate.

Mr. Swanson responded that this is a coordination issue.

Commissioner Berman said that these are big numbers but they are commensurate with the overall size of the contract. Staff is to be commended on the work they are doing and the fact the bids are commensurate with their own figures and often fall below.





## ADDENDUM TO THE CALENDAR

### Award Contract 5515A - Security and Special Systems Security Systems Package - Amelco Electric

No. 97-0337

Resolution awarding Contract 5515A, Security and Special Systems Security Systems Package, to the lowest reliable, responsive and responsible bidder, Amelco Electric, A Division of Amelco Industries in the amount of \$12,266,000.

This activity is within the scope of the San Francisco International Airport's Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program's EIR, prepared for the Master Plan, adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

The \$12,266,000 total is within the Baseline Budget.

Mr. Swanson said that this contract provides access control, closed circuit television and baggage screening systems for the International Terminal Complex, including the terminal, both boarding areas, the new IT parking garages, the communication center and Concourse H.

Three bids were received on October 21, 1997. The bids also included two alternates to provide access control and closed circuit television for the north parking garages and Concourse H.

Amelco submitted the low bid of \$12,266,000, including alternates, and was well within the baseline budget of \$17,053,522. No protests were submitted.

The proposed MBE/WBE subcontractor participation of 8.07% and 2.12% exceeded the MBE/WBE goals established for this contract. The Human Rights Commission has reviewed and verified that Amelco's bid meets the MBE/WBE subcontractor participation requirements for this project.

### 5. Award Contract 5515B - Security & Special Systems Facility Systems Package - HSQ Technology, Corp.

No. 97-0338

Resolution awarding Contract 5515B, to the lowest reliable, responsive and responsible bidder, HSQ Technology, Corp., in the amount of \$12,522,200. The \$12,522,200 total is within the Baseline Budget.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was



approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Mr. Swanson said that this contract provides a fire alarm system, maintenance alarm and monitoring system, power monitoring system, public address system, community access television system and radio system for the International Facilities Complex to include the International Terminal, boarding areas, parking garage and Concourse H. In addition, Contract No. 5515B provides for the relocation and expansion of the Communications Center equipment.

Two bids were received on September 23, 1997. The bids included two alternates which include fire alarm and radio systems in the North Garage. The Airport has elected to add both alternates.

HSQ Technology submitted the low bid of \$12,522,200 and is well within the baseline budget of \$19,027,895.

HSQ Technology's 10.20% MBE and 7.32% WBE participation exceeds the MBE/WBE goals of 8%/2% respectively and has been determined to be in compliance by HRC.

A protest was filed by Amelco Electric against HSQ Technology alleging insufficient airport systems experience. Airport and City Attorney staff investigated the allegations and determined that HSQ Technology is in substantial compliance with the experience requirements contained in the specifications. Therefore, HSQ Technology is the lowest, reliable and responsible bidder.

Commissioner Crayton asked if HSQ Technology has done work at the Airport before.

Mr. Swanson responded that they have.

The following is a verbatim transcript of Item No. 6. Item No. 6 was adopted by a 3 to 1 vote with Commissioner Strunsky casting the dissenting vote.

6. Award Contract 5515C - Security & Special Systems Terminal Management Systems Package - SASCO Electric, Inc.

No. 97-0339

Resolution awarding Contract 5515C, to the lowest reliable, responsive and responsible bidder, SASCO Electric, Inc., in the amount of \$33,707,641. The \$33,707,641 total is within the Baseline Budget.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992.



The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

MR. BRUCE SWANSON: Contract 5515C, Terminal Management System, includes the communications infrastructure (cabling), the buildout of the special systems rooms (power, grounding, panels, wiring), computer networking, common use terminal equipment (the CUTE system), visual paging, visual informational displays, gate management, telephone systems, and master clock system for the International Facilities Complex.

Four contractors submitted bids on August 26, 1997.

The bids included alternates for communications infracture and telephone to the North Garage which the Airport has elected to include in this contract.

The base bid plus alternates were:

Lockheed Martin - \$31,219,586  
SASCO Electric - \$33,707,641  
Rosendin Electric - \$36,980,000  
Amelco Electric - \$43,992,477

All bids fell within the baseline budget.

There have been multiple protests filed for this contract. Airport and City Attorney staff have determined that the initial apparent low bidder, Lockheed, did not possess the required C-10 California Contractor's License to bid this work. The second lowest bidder, SASCO, has been found by Airport and City Attorney staff to be the lowest reliable, responsible and responsive bidder. After bids were received, protests were filed against SASCO alleging failure to comply with the subcontractor listing and MBE/WBE subcontractor participation as a result of SASCO's failure to list subcontract amounts of the subcontractor bid form (Document 00430). The Human Rights Commission, City Attorney and Airport staff have investigated the allegations and determined that the protest is without merit and that SASCO has met the subcontractor participation requirements based on good faith efforts and the firms listed by SASCO in its bid are vendors, suppliers, and other entities not subject to the requirement to list subcontract amounts. All contractor work is to be performed by SASCO, not subcontractors. Therefore, the protests against SASCO have been determined to be without merit.

Therefore, we recommend that the Commission approve award of Contract No. 5515C to SASCO Electric.

COMMISSIONER BERMAN: Mara, same question. Especially since there's been a number of protests on this. This has been given your thorough and immediate attention and the answers are such as has been stated by Bruce.

MARA ROSALES: Yes. Very thorough. We carefully considered each and every ground





advanced by the protesting parties.

COMMISSIONER BERMAN: Now, I think it's proper to hear the people that have been asked to be heard on this proposition. I'll call them as they were turned in. Ben Johnson.

MR. BEN JOHNSON: Yes, Mr. Commissioner. I think it's perhaps better to have Rosendin since they filed a protest and first should be Mr. Heisse.

MR. JOHN HEISSE: Thank you, Commissioners. My name is John Heisse and I'm here on behalf of Rosendin Electric. We are here to protest the award to SASCO because SASCO's bid, on its face, is non-responsive.

COMMISSIONER BERMAN: Before you start, do you work for Rosendin.

MR. HEISSE: No, Commissioner, I work for the law firm of Thelen, Marrin and Johnson.

So, we believe that the bid, on its face, is non-responsive and we'd like to recommend that the Airport return to its October recommendation which found that Rosendin, not SASCO, was the lowest, responsive, responsible bidder. The defect in SASCO's bid is its failure to list any prices for subcontractors or minority or WBE contractors on its bid form 430 which, on its face, requires a listing of all subcontractors and all MBE/WBE subcontractors, suppliers of any type and also requires a description of the type of work, the price of that work, any license information, any San Francisco business tax numbers and an estimation of MBE/WBE. SASCO failed to list any prices for MBE/WBE contractors. The City Attorney has decided that because SASCO has shown having made good faith effort to satisfy the MBE/WBE requirements, that excuses its failure to list prices. That advice goes against the clear wording of the San Francisco Administrative Code.

The danger in ignoring the Administrative Code requirements is that it allows prime bidders to accept bids from minority companies and women-owned companies, not list their prices, bid shop after award and recast their packages in whatever way they want to recast them. Just like the subcontractor listing law requires listing prices to preclude precisely that same result.

If there is one class of contractors this award ought to protect in this way it is the minority and women-owned business community.

Let me address Administrative Code Section 12D.9(D)(2) which states that bid conditions must require bids on prime construction contracts to define two things: (1) to demonstrate in their bid that they have used good faith efforts to utilize MBE and WBE subcontractors; (2) to identify particular MBE and WBE subcontractors to utilize on the contract, specifying for each the dollar value participation, the type of work being performed and such information as may be reasonably required to determine the responsiveness of a bid. Bids not meeting these requirements shall be declared non-responsive. That's the wording in the Administrative Code.

So the Code sets forth two objectives, both of which must be met. You must show good faith efforts and you must list your MBE/WBE, describe their work and list their prices. SASCO failed to meet the second burden, and, according to the Code its bid must be declared non-responsive.





SASCO's response and the response adopted by the City Attorney's Office is that these folks are not subcontractors. SASCO will do all of the work on the project, therefore there aren't any subcontractors under the definition in the subcontractor listing law.

That may be true but it doesn't get to the point because the definition in 12D of the Administrative Code for subcontractors differs from the definition of subcontractors in the subcontractor listing law. A subcontractor in Section 12D5 is defined as any business providing goods or services to a contractor for profit, if such goods and services are procured or used in fulfillment of the contractor's obligations arising from a contract with the City and County of San Francisco.

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In order words, for the purposes of MBE/WBE compliance, subcontractors are folks who deliver and install things for the improvement of the property like those in the subcontractor listing law but also vendors, suppliers of any type.

Good faith efforts does not cure this defect. (Unintelligible) ... it confuses the import of good faith efforts with the import of listing the price at bid time. Making the goals, satisfying the percentage goals is not the determination of responsiveness. The determination of responsiveness is set forth in the Code. It is good faith effort and listing your MBE/WBEs you intend to use as well as the descriptions of work and their prices. That's what gets this statute, this regulation over the constitutional hurdle. It is not a quota it's a good faith efforts law but to show you who we're using you must list their prices or your bid will be non-responsive.

Now, let me give you an example of what can happen. I don't know that this happened but I can show you the scenario that gets painted of what can happen.

SASCO's bid form listed among its minority participants a company called AllStar Telecom. It describes the work of AllStar Telecom as interbuilding cable, plans, install/labor. Install/labor means to me someone's installing something and expending labor. It sounds like a subcontractor even under the State's definition of the word.

So, they have two problems. They may have a subcontractor listing law problem and when they failed to list the price for this company they also have a problem under the Administrative Code.

SASCO's attorney's response from Mr. Johnson was that AllStar will be furnishing cable and providing on-site engineering, testing, documentation, certification and technical assistance. One of the documents said that contractors must provide, as part of the bid package, HRC form 5 employment information. This document requires three pieces of information: 1) you must list all employees on your payroll during the preceeding 12 months, and, 2) you must also list those or designate with an asterisk those, and I'm reading from the form, "mark with an asterisk all those employees that will be assigned to the project."

Let's see what kind of a company AllStar Telecom is. If it's a company that is only going to furnish cable and then provide some on-site engineering and testing. If you ignore the administrative, the 185 non-administrative folks shape out like this. They have 4 people in outside sales, 7 supervisors, 49 journeyman electricians, 28 laborers, 89 apprentice



electricians and 8 inspectors. Does that sound like a supplier to you or does that sound like an electrical subcontractor.

If you look at the asterisks as to who they say is going to work on this project they identify 15 people ... a project manager, a superintendent, 8 journeyman electricians, including 5 people designated as cable splicers and 5 apprentices. That is not the work force of a central project to provide on-site engineering testing and documentation. The Airport does not need apprentice electricians to document its work. They don't need cable installers to provide on-site testing.

AllStar also entered in HRC 6, which is the declaration of participation, in which AllStar lists one of its subcontractors, a company called Lowry Paving. If you're only installing cable why do you have a paving subcontractor.

I don't know that this is the rouse that it smells like and appears to be but it certainly shows what can happen with subcontractor listing violations under the minority participation rules. If we don't require the listing of the price, the prime contractor can recast its bid after award and go to a company like AllStar and say sorry you can't have furnish and install cable even though we already (... unintelligible) a subcontractor. You just furnish the cable, we'll do the install otherwise we're not going to get this job and you're not going to get any part of this job.

Now the result of this failure is very clear. In fact, ladies and gentlemen, you don't even have a choice. If you follow the San Francisco Administrative Code and if you find that SASCO failed to list the prices for its M/WBEs, which it acknowledges it failed to do, you must declare their bid non-responsive in which case Rosendin becomes the lowest responsible bidder.

MR. MARTIN: Perhaps we should hear from all the speakers first and then ask the General Counsel to make any comment.

COMMISSIONER BERMAN: While they are fresh in our minds.

MS. ROSALES: I will ask if you have more specific questions ...

COMMISSIONER BERMAN: Because what you're saying may cover the next speaker and if so we will so note.

MS. ROSALES: I will asked Deputy City Attorney Kris Cox to address the Commission in a minute but with respect to the MBE ordinance requirements, the consistent administrative interpretation of the subcontracting program is that if you fail to satisfy the goals, in other words if your bid comes in as though there is no participation, no identification of minorities on the bid, we go and look at good faith effort. If you, as a bidder, have documented your good faith efforts in conformity with the requirements of the ordinance then that allows the City to deem you responsive to those requirements because the focus of the MBE ordinance is on requiring prime contractors to go into the community and bring subcontractors, to speak to them, solicit their input and consider their bids.

So, we're treating their bid as though there were zero participation listed by minority



businesses because not all the information was listed as required. So we go to the next step and say have the good faith efforts been documented and in this particular case each and every step was documented. The Human Rights Commission reviewed it, the Airport reviewed it, my staff reviewed it. The good faith efforts are there so based on our consistent administrative interpretation of this ordinance we deem them to be responsive to those requirements.

I should just point as an example in your last calendar Shindler Elevator Company failed to be considered responsive because they did not have the good faith efforts documented. They did not list the MBE, they claimed to have an MBE in hand, they did not list them but when we went to their good faith efforts they failed to document their good faith efforts and for that reason they were not responsive and they were represented by the same law firm as Mr. Heisse.

If you have any further questions I can ask Mr. Cox to address any additional concerns.

COMMISSIONER BERMAN: You have not established any new procedures or criteria in this and a precedent has been established once or many times.

MS. ROSALES: Many, many, many times. Since 1992 when the program was adopted. Consistent administrative interpretation since 1992.

COMMISSIONER BERMAN: The next couple of speakers, you've heard this. If you're just reinforcing what Mr. Heisse has to say, you may come up and identify yourself and indicate that, or if you have different versions then you may expound on them.

The next speaker is Herrick Loi.

MR. HERRICK LOI: My name is Herrick Loi. I work for American Computer Service and we are HRC W/MBE certified registered minority owned business. I have bid with the low bidder. The bid was accepted. It is unfair to ask a minority owned business registered with HRC to accept a bid from the low bidder when the bid does not have a price listed as required by the HRC.

How does the HRC or the Airport Commisison know how much money is obligated to a minority owned business when it is not listed. Without any price it can be used just to get them in. On the bid, on the list some say a minority owned business or certified, they are not. Just like AllStar, they are not certified. DMC is counted twice as certified, but they are not.

I believe that HRC was established (...unintelligible) any Airport contract or San Francisco contract to allocate a certain percentage of work to San Francisco minority owned business.

I would like to ask you, ladies and gentlemen, to please do not accept this precedent today to allow the prime bidders not to have listed the dollar amount for minority subcontractor for vendor. This is very bad for us for bidders to do that and then come back and do bid shopping. We can't stay in business.

COMMISSIONER BERMAN: I think we've covered that situation. I've asked Mara, our





attorney, of whether we are establishing any new precedent or criteria and she said we are not. The same is true with what Mr. Loi has brought up. We are not establishing a precedent here. Thank you.

MR. LOI: Thank you.

COMMISSIONER BERMAN: The next speaker is Victor Costello.

MR. JOHNSON: Mr. Commissioner, I'm representing SASCO and it would probably make more sense for me to go first than Mr. Costello.

COMMISSIONER BERMAN: Do you have anything new to add.

MR. JOHNSON: Yes. I'm representing the other side. My name is Ben Johnson. I represent SASCO Electric. I'd like to take you briefly through the situation that has brought us here today.

COMMISSIONER STRUNSKY: Are you with the firm or with a law firm, as President Berman asked the previous speaker.

MR. JOHNSON: Yes, I'm with the law firm of Quadros and Johnson.

Why we are here today is the issue of why SASCO did not list prices on its form 430 with its bid for its subcontractors, which it had none and never intended to use, and for its women and minority business that were suppliers and vendors.

This instruction to bidders simply set forth in paragraph 6 what they were to do. They were to list on form 430 information regarding subcontractors and then in the next paragraph it also says that they are to list information for all subcontractors, suppliers and vendors who will be utilized. It is the first paragraph regarding this issue in the instruction to bidders and it distinguishes in one paragraph subcontractors and then in the next paragraph it includes subcontractors, suppliers and vendors and that becomes important when you get to these forms.

This is the form in question and this is actually SASCO's form that it submitted. This first paragraph says that the bidders are to submit the following information as to subcontractors, suppliers and vendors that they intend to utilize.

The next paragraph says that this list must contain all subcontractors who will perform work in an amount in excess of one half of one percent. Work not listed here must be performed by the contractor. The third paragraph says that this list must also contain all subcontractors, suppliers, truckers and vendors who will be utilized to meet MBE/WBE goals.

Then it asks you in these columns ... the first column specifically asks for the name and address of subcontractor, supplier and vendor. This information is all included. The next column says a brief description of the work by subcontractor, supplier, trucker, or vendor. This information is supplied. Here is the key column, the third column. Price/prices for subcontract work. There is no reference in this column as there were in the prior columns to





vendor or supplier. Then there is a request that if you have a contractor's license number, San Francisco business tax number or MBE/WBE, please check that box.

Now, SASCO looked at this and said these people are vendors and suppliers; we are doing all the subcontract work on this project. Since we have no subcontractors we will not list any prices for subcontract in this column three. But they didn't do that simply on that interpretation. There was a pre-bid addendum to the contract that had questions and answers that the contractors asked and the staff answered.

Question 413 specifically addressed this issue. In document 430, third column, bidder is to list price/prices for subcontract work. Is the information requested limited to the price received from each of our subcontractors? Answer, yes.

In document 430, question 414, please confirm that prices received from our vendors and suppliers are not required to be included in the third column and in price for subcontract work. Answer, prices received from vendors and suppliers are not required. It was with that contract addendum, that clarification that SASCO filled out its form in the way that it did and did not list prices in this third column because it had no subcontractors, it had simply vendors and suppliers.

Two days after its bid, though, SASCO, in compliance with the requirements of the contract, submitted what is entitled form 661. This is an HRC form. This is required five days after the bid. SASCO submitted it two days after its bid. This specifically asks for information regarding subcontractors, suppliers, and vendors. And in this column it asks for subcontractor and vendor name, again, lumping them together, and ask for an award amount. And here are the prices of all suppliers and vendors that SASCO intended to use and that they submitted. Included in there are the suppliers and vendors that Mr. Heisse made mention to, one of which is AllStar, and where SASCO made a mark if it is an MBE/WBE entity, SASCO then submitted that information on this HRC form. The form that asks for the prices of vendors and suppliers, unlike the 430 form. When SASCO got to the AllStar Telcom entry it had the price of \$480,000 and AllStar is to supply fiber optic cable and to provide crews that will do testing, certification, make sure that the tension is correct on that cable, make sure that the splices are tested correctly. This is a high tech item as opposed to just simply pulling conduit and cable for electrical service.

SASCO put down zero percent for AllStar and the reason was this. At the time SASCO submitted its bid with 430 and had AllStar, SASCO thought AllStar was a San Francisco local certified W/MBE firm. SASCO learned afterward that they were not certified in San Francisco and therefore indicated a zero participation for that entity. However, even ignoring this, SASCO still had 9% MBE participation, 2.7% WBE participation, both of which exceed the goals established for this project using these vendors and these suppliers.

The issue then comes, as Mr. Heisse has suggested, some intent to utilize subcontractors and then bid shop. I have here the letter SASCO received four days before its bid from AllStar saying here is our price of \$480,000, the same price you saw on the form that SASCO submitted, and here is the scope, engineer, furnish, test, document and certify fiber optic backbone cable plant. There is no installation here. They are not a subcontractor on this project.



Mr. Heisse is right that they are a subcontracting firm but SASCO utilized them to increase W/MBE participation on this project. Supply cable and to do testing and certification and engineering that needs to be done with this special process. I think what we're getting into confusion here is this is not a supplier from the standpoint of somebody that comes in and drops off cable or wire or conduit. We're talking in this Contract 5515C, special computer systems.

#### CHANGED TAPE

That these systems are installed properly and SASCO does all the labor except that these people need to be there to assist with software and hardware installation, things of that nature, which is not a subcontractor situation.

The last point that I would like to make is that if you, for any reason, believe that there is an inconsistency here that under the bid instruction documents 00100, item 23, this Commission reserves the right to waive informalities not involving price, time or changes in the work. Certainly there is no such situation here. There is no indication of any attempt to substitute, amend or alter any of these suppliers or vendors.

Staff has recommended, and I would request that you approve this subcontract this afternoon. Thank you.

COMMISSIONER BERMAN: Mara, are there any questions challenging any of the facts that he offered.

MS. ROSALES: I would have to defer to Mr. Cox of my office who did the investigation.

MR. KRIS COX: Good morning, Commissioners. I don't have any questions. I have thoroughly discussed this issued with Mr. Johnson and Mr. Heisse and I stand by our recommendation. I have no further questions at this time.

COMMISSIONER STRUNSKY: There was something mentioned before, and I just wondered how it fit in, and that was the inclusion of a paving company as a paving sub subcontractor.

MR. JOHNSON: First I've heard of that. In all of the correspondence that we've exchanged between the various parties and with Airport staff. This is the first time I've heard of that today. Mr. Costello may have an answer for that. He is SASCO's group president. It may have been that he was going to simply discuss with you why these people are not subcontractors, these W/MBE entities. Why they are vendors and suppliers for their scope of work. I don't believe that you need that information but he is here to address that if you did have that question. Maybe he knows why one of the vendors or supplies listed a paving contractor. I can't answer that.

COMMISSIONER BERMAN: Mara, does that need a clarification?

MS. ROSALES: Kris?



MR. COX: Generally, the use of a second tier subcontractor would not have an effect on the listing laws. The listing laws require the prime contractor to list its direct subcontractor.

COMMISSIONER STRUNSKY: No. I understand that but it would imply the kind of work that this ... as I understand the issue, there is some confusion as to whether this is a subcontractor or a vendor/supplier. I would just wonder why a vendor/supplier would have a paving subcontractor.

MR. COX: I would also share that confusion as to why a cable puller would hire a paver.

COMMISSIONER STRUNSKY: If you were doing cable pulling you might have duct banks that had to be installed and you'd need to pave over them if a roadway went on top of them. I can understand that, but a supplier?

MR. COX: I agree. It is an issue that I heard for the first time today. Perhaps Mr. Johnson can offer an explanation.

MR. JOHNSON: I think it's important to note that we are talking extensive amounts of fiber optic cable here and with a \$408,000 contract quote and AllStar's letter of \$408,000 before the bid was submitted, there can't be any installation labor involved in that price.

The last thing that I have, if any of the Commissioners are interested, I have a declaration under penalty of perjury, from the allStar president indicating that their intent and their specific scope at all times included no installation and no labor. I would submit that if anyone is interested (see attachment).

COMMISSIONER QUAN: Has SASCO done work at the Airport before and is this the first time that they are submitting a bid under the City and County regulations?

MR. MARTIN: Bruce or Jackson, are you aware of SASCO doing work at the Airport? I know that some of the vendors have done work under other contracts at the Airport or were listed as vendors under other contracts at the Airport.

MR. JOHNSON: SASCO went through technical review with staff and I know that SASCO also was the electrical contractor (... unintelligible) airport construction. The question tended to go through their qualification.

COMMISSIONER QUAN: No, I was concerned about the paperwork.

MR. HEISSE: May I respond briefly to facts that no one else challenged because they are all the same side of this game. Mr. Johnson read part of the answer to the question about whether you had to list subcontractors. The question was do you have to list vendor's prices and he read "prices received from vendors and suppliers are not required." He didn't finish the sentence, of course. The sentence goes on to state, "... however, refer to paragraph 3 on page 1 of document 430." Paragraph 3 on page 1 of document 430 is the front page of the document that shows you, which of course, requires bidders to list the information asked for on the sheet for all of their MBE subcontractors, suppliers and vendors. So the answer is saying no, if you don't have minority vendors you don't have to list prices. But the law





requires minority vendor prices to be listed. That's point number 1.

Point number 2 is if , in fact, AllStar is just a supplier, and I'm sure you can't see this, but I don't have the blow ups, right below them are three other companies. They are all listed as material supplier, material supplier, material supplier. Yet AllStar, a material supplier, is listed as plant, install/labor interbuilding cable.

Finally, I'm not sure if there is precedent for this at the Airport. I don't if you've ever had a situation where minority prices were not listed. This is not a situation where the Commission can say we'll just ignore all minority prices because that is not what the Administrative Code allows you to do. The Code says two things must be there ... good faith efforts and minority listing of prices and work. If you don't have both, the bid is not responsive. The San Francisco Attorney is saying you can overlook the second if you have the first but the Code doesn't say that.

COMMISSIONER BERMAN: Will you address what Mr. Heisse has brought and clarify the situation for the Commission.

MS. ROSALES: Again, on the minority business requirements, the reason why the ordinance requires there to be a participation for the MBE is for the City to determine whether the contractor has satisfied the goals that have been set. You have to look at that section as one, not take it in piecemeal fashion. And it's also an enforcement issue. If we determine that you have satisfied the numerical goal then we have something to measure your compliance against once we have verified that numerical goal. But again, the program has always been on good faith efforts. It is not a quota program, it is not a technical program, it is a program designed to require prime contractors to bring subcontractors into the City's contracting process, even if at the end of the day they don't end up working on a project. In this particular case we have a situation where there are minority businesses that will be working. We could not verify participation because the numbers were not listed. We went to good faith efforts and those good faith efforts were satisfied.

There is precedent, and I will mention it again. In the Shindler Elevator Company situation, again a minority business claimed to be included in the bid but the amount was not listed. We went to good faith efforts but the steps were not documented. Because of that Shindler was declared not responsive

MR. HEISSE: That's not correct exactly, Ms. Rosales. In the Shindler case the minority contractor was not a San Francisco certified minority so therefore that minority did not count in good faith efforts. But the price was listed.

MS. ROSALES: It wasn't listed.

COMMISSIONER BERMAN: Once again you are unequivocally assuring us that you are not establishing any new precedent. You are going on precedent that has been used to date in this situation.

MR. MARTIN: Commissioners, this has also been reviewed by outside legal counsel. We have a lot of checks and balances in the system to make sure that we thoroughly review bids





where there are questions. This one has been very thoroughly reviewed. We've had many questions come up on other contracts and we've stood by the City Attorney and outside counsel and I strongly recommend that the Commission continue to stand by the City Attorney's advice.

COMMISSIONER STRUNSKY: Do I understand it right that because this particular firm was in fact not a certified firm that they were dropped off of the list and therefore the reasoning falls back onto good faith efforts. Had they been a certified firm and left this dollar value out, would that have then obviated the bid? Because if so then good faith efforts are wiping out essentially other mistakes.

MR. COX: Let me understand your question. If AllStar had been a certified firm, would we have had to go to good faith efforts?

COMMISSIONER STRUNSKY: No. If they had been a certified firm and had omitted the dollar value, as they did, would the bid then have been non-responsive.

MR. COX: I don't believe it would have been non-responsive because the good faith efforts were there to back up their failure to meet the goals.

COMMISSIONER STRUNSKY: So, we allow good faith efforts to obviate the rules and regulations.

MR. COX: That is my understanding.

MR. MARTIN: If there are further questions from the Commission I would advise the Commission to go into executive session to discuss this with the City Attorney's Office.

COMMISSIONER QUAN: Can I just clarify one thing? People keep talking about the price. It is my understanding, based on what Mr. Johnson said, that price was listed two days later in a form that is required by HRC and that whether the price is listed before the bid is due or subsequently it meets the price requirements. It appears that because AllStar is listed as a vendor or supplier the price doesn't have to be listed. At least that's the understanding I get. That because they are a supplier on that form ...

MR. COX: Our form 430 is intended to fulfill two purposes. The first purpose is to fulfill the requirement of State and City laws that we list all subcontractors. The other purpose is to provide a basis upon which we can determine whether or not they have met our subcontractor participation program. For the first purpose of the subcontractor listing law, prices do not have to be listed for non-subcontractors as defined by the Business and Professions Code. Prices do have to be listed for vendors and suppliers if that is the method they are going to meet the subcontractor participation program by meeting the goals instead of providing the good faith efforts that they attempted to meet the goals.

COMMISSIONER QUAN: But if the bidder thought it was not a subcontractor then there is some confusion there. Mr. Johnson said that they did not consider AllStar a subcontractor, they considered them a supplier.



MR. COX: Correct. There is some confusion but I believe that that confusion is cleared up by Chapter 12D of the Administrative Code which says that the bidder is to provide sufficient information in its bid and it can demonstrate that it meets subcontractor participation. Reading Chapter 12D would guide the bidder to put that proof in his documents in his form 430.

COMMISSIONER CRAYTON: I think we need to go into executive session. I have some questions.

MR. MARTIN: This item will be put over to the end of the calendar. We will complete the calendar and go into executive session.

The Commission concluded its calendar and went into closed session. Discussion on Item No. 6 is continued at the end of the closed session.

7. Resolution Regarding the Sale of Airport Commission's Second Series Revenue Bonds, Issue 15

No. 97-0340	Resolution providing for the sale of not to exceed \$550,000,000 principal amount of San Francisco International Airport Second Series Revenue Bonds, Issue 15.
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Mr. Martin said that this authorizes the sale of Issue 15 bonds in an amount up to \$550,000,000. At today's interest rates we project an annual savings of up to \$5 million against our financial projections on the debt service.

\* \* \*

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 8 was adopted unanimously.

8. Award Contract 5903B - McDonnell Road and Road-21 Realignment - Miller/Thompson, Constructors, Inc. and Ghilotti Brothers Construction, Inc. A Joint Venture

No. 97-0341	Resolution awarding Contract 5903B, McDonnell Road and Road-21 Realignment, to the lowest responsive, responsible bidder, Miller/Thompson, Inc. and Ghilotti Brothers Construction, Inc., a Joint Venture in the amount of \$3,854,731.50.
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Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance explained that this contract will realign and widen McDonnell Road and Road R-21, construct overhead signs, traffic signals and a small office building with restroom facilities, the extension of utilities such as power and fiber optic lines for the relocation of the existing Long Term Parking Toll Plaza.



Six bids were received on November 7 with Miller/Thompson and Ghilotti Brothers Joint Venture submitting the low bid.

One protest was submitted by Stacy and Witbeck/Ramirez, a Joint Venture, the third low bidder, questioning the bid preference claim. Airport and Human Rights Commission staff reviewed and investigated the protest and determined it to be without merit.

The M/WBE subcontracting goals are 14%/4% respectively.

\* \* \*

#### I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 9 through 14 were adopted unanimously. Commissioner Quan was recused from voting on Item No. 12 by the unanimous approval of the Commission. Commissioner Crayton was recused from voting on Item No. 13 by the unanimous approval of the Commission.

9. Rescind Award of Materials Testing and Special Inspection Services Contract No. 5602.4 to Continental Testing and Inspection

No. 97-0342	Resolution rescinding award of Contract 5602.4, Materials Testing and Special Inspection (MTSI) Professional Services for Plot 7 Employee Parking Garage to Continental Testing and Inspection in the amount of \$214,637.50.
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10. Award of Materials Testing and Special Inspection Professional Services Contract 5602.5 - Plot 7 Employee Parking Garage - Geo/Resource Consultants, Inc.

No. 97-0343	Resolution awarding Contract 5602.5, Materials Testing and Special Inspection (MTSI) Professional Services for Plot 7 Employee Parking Garage to Geo/Resource Consultants, Inc., in the amount of \$204,490.
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11. Modification No. 7 to Legal Services Contract with Law Firm of Lempres & Wulfsberg

No. 97-0344	Resolution approving Modification No. 7 to Professional Legal Services Contract with Lempres & Wulfsberg to increase compensation in the amount of \$300,000; all other terms and conditions to remain in full force and effect.
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12. Modification No. 17 to Legal Services Agreement with Law Firm of Morrison & Foerster

No. 97-0345	Resolution approving Modification No. 17 to Professional Legal Services Contract (Noise/ Environmental Contract)
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with Morrison & Foerster to increase compensation by the amount of \$500,000; all other terms and conditions of the contract to remain in full force and effect.

13. Modification No. 18 to Legal Services Agreement with Law Firm of Hanson, Bridgett, Marcus Vlahos, & Rudy

No. 97-0346

Resolution approving Modification No. 18 to Professional Legal Services Contract with Hanson, Bridgett, Marcus Vlahos and Rudy to increase compensation by the amount of \$150,000 thru fiscal year 97/98; all other terms and conditions of agreement to remain in full force and effect.

14. Authorization to Reimburse the Federal Aviation Administration (FAA) for Relocation of Runway 19R Visual Guidance Lighting System

No. 97-0347

Resolution authorizing reimbursement to the FAA for the relocation of their Visual Guidance Lighting System currently at Runway 19R, away from Taxiway 'V' at the not to exceed amount of \$70,000.

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no comments from the public.

\* \* \*

K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

The Commission recessed its meeting at 10:25 AM before going into closed session at 10:33 AM.

L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a





Closed Session.

The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation, and, Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled State of California ex rel Patrick Stull v Bank of America.

Ms. Rosales noted for the record that the potential litigation matter for which the Commission will be conferring with counsel is Item No. 6, Award of Contract No. 5515C. We have received correspondence from Rosendin and its counsel that would suggest potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 10:53 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

This is a continuation of the discussion on Item No. 6. Item No. 6 was adopted by a 3 to 1 vote with Commissioner Strunsky casting the dissenting vote.

6. Award Contract 5515C - Security & Special Systems Terminal Management Systems Package - SASCO Electric, Inc.

No. 97-0339

Resolution awarding Contract 5515C, to the lowest reliable, responsive and responsible bidder, SASCO Electric, Inc., in the amount of \$33,707,641. The \$33,707,641 total is within the Baseline Budget.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

COMMISSIONER BERMAN: There are two people that still want to be heard on Item No. 6. Victor Costello, do you still want to be heard?

MR. VICTOR COSTELLO: Only if it can add any clarity.

COMMISSIONER BERMAN: Carol Cresci. Please identify yourself.



MS. CAROL CRESCI: Good morning, Commissioners. Thank you. I am Carol Cresci Colbert, President and owner of Cresci Electric, a certified WBE in San Francisco for over 10 years.

I do primarily 90% City projects. I am listed as a subcontractor with Rosendin Electric. I am very concerned with what I have heard here this morning and what I have reviewed as correspondence. This does appear as though precedent is being set. There are rules and procedures set forth by HRC as well as the Airport and it seems that these are not being adhered to or followed. I think it is very critical that we follow and have a definite method. If there are procedures and rules that are followed and adhered to on all bids then there is no confusion. But this is appearing as though this is going bid by bid. If this is the case then MBEs and WBEs are going to be losing work because the procedure was to list and they were not listed and now somebody is not included in these forms. According to bid documents these bids are non-responsive and therefore thrown out.

It appears now that we are setting a precedent that this can occur and I am concerned with where this will leave the MBE/WBE community. If general primes can go ahead and put a bid together and just get the bid on good faith, we are going to be losing work. Therefore, I say we should just do away with the MBE/WBE commitments or goals. They are not needed.

Good faith ... I know what that stands for. It's the letter that comes in the mail. You pick up the phone and call. The person you speak to has no idea how large the project is that they are asking you to bid on. They have no idea how large your scope of work will be. They don't even know how large the scope of work that they are bidding on is.

What I now do with good faith letters is put them in the trash. My secretary is told any person who calls asking if we are bidding the day before a \$10 million bid is going out, they are told to say thank you and just hang up. But the person wants to know your name so they can document good faith.

Good faith means that you contact your subs. You speak with them. You give them plans. You explain the project to them. These are the contractors that you see listing their MBEs and WBEs because they have gone through that.

So, again I ask you to really consider what your judgment and ruling today will be, particularly for the MBE and WBE community, because I am afraid that this will set a precedent. You are going to see a lot more bids like this and we're just going to be forgotten.

COMMISSIONER BERMAN: You are questioning the process as an on-going thing and I have constantly asked our City Attorney whether our procedures are consistent and no new precedent is established and what we have done in the past is precedent and you are questioning that process. That is something that I think you should address separately from the issue here because what we are doing is part of an on-going precedent that has been established before we were here as Commissioners.

MS. CRESCI: One more area, Commissioner. Not filling out that form and leaving out



subcontractor listing or amounts, I personally have lost projects bidding as a prime. I know other contractors also who have been noted as non-responsive. I know that in the past not filling out the form has lost the contractor that bid.

MS. ROSALES: Again, the Human Rights Commission, Airport staff and the City Attorney staff have reviewed the good faith efforts of SASCO. Good faith efforts has been defined very specifically in the law as 10 very specific steps. Each one of those steps were analyzed and it was determined that they were in compliance with those steps. And I would further add that the Human Rights Commission staff verified that the minority/women businesses that were listed as vendors and suppliers or come within the definition of subcontractors under the MBE ordinance were, in fact, participating on this project.

COMMISSISONER BERMAN: Who are you?

MR. VICTOR COSTELLO: I'm SASCO.

COMMISSIONER BERMAN: Well, I asked if you want to be heard. If you want to be heard come up here, identify yourself and speak you piece.

MR. VICTOR COSTELLO: SASCO Electric Group President. Real briefly, our intent was and still is to use all of the minority vendors listed on form 661, which was the form we thought, being a little bit naive in the public works area. We are one of the largest contractors in the country but we do not do much public works. We thought 661, because of the level of detail on that form, was the form that would determine minority participation. We are going to, and we have committed to each and every minority business on that form that we will be using them. I hope that addresses that specific concern.

COMMISSIONER BERMAN: Any questions? Thank you.

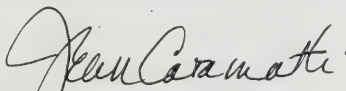
I make a motion that we approve the award to SASCO.

The award to SASCO was approved by a 3 to 1 vote with Commissioner Strunsky casting the dissenting vote.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:00 AM.

  
Jean Caramatti  
Commission Secretary





December 12, 1997

Brent Neville  
Sasco Data Systems  
1600 Memorex Dr.  
Santa Clara, CA 95054

Dear Mr. Neville,

Per your request, we are sending this confirmation letter relating to our quote for project SFIA 5515C dated August 22, 1997.

We are confirming the services requested as engineering, testing, documentation, and certification of the system per the plans and specifications. Our quotation does not include any installation or construction services.

The price for these services is \$408,000.00.

I certify under penalty of perjury according to the laws of the state of California that the foregoing is true and correct.

Thank you again for considering our company for the work requested. Please contact my office if you should have any questions concerning this letter.

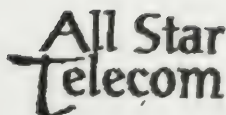
Sincerely,

A handwritten signature in dark ink, appearing to read "W. J. Delgado". The signature is fluid and cursive, with the last name "Delgado" being more prominent.

William J. Delgado  
President







August 22, 1997

Brent Neville  
Sasco Data Systems  
1600 Memorex Dr.  
Santa Clara, Ca 95054

Dear Mr. Neville:

We are pleased to provide pricing for the SPIA 5515C project. Our pricing is based upon the following scope of work:

Engineer, furnish, test, document and certify fiber optic backbone cable plant.

Sasco Data Systems to provide all labor and tradesmen necessary for the placement, termination and other construction service requirements of the system.

All Star Telecom will provide design engineering, procurement and delivery of materials and equipment, submittal support, system verification and certification.

Project Price	\$ 408,000.00
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Thank you for considering All Star Telecom, Inc. as a service provider for Sasco Data Systems, as we look forward to your favorable consideration. Should you have any questions regarding this pricing, please contact me directly.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. J. Delgado".

William J. Delgado  
President/CEO

WJD/jmr



# All Star Telecom

August 22, 1997

Brent Neville  
Sasco Data Systems  
1600 Memorex Dr.  
Santa Clara, Ca 95054

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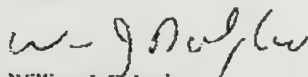
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Sincerely,



William J. Delgado  
President/CEO

WJD/jmr



